Daily Report

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FBIS-EEU-89-147 *2 August 1989*

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Gorbachev's 'Common European Home' Criticized

AU0208101389 Tirana BASHKIMI in Albanian
29 Jul 89 p 3-4

[Leontiev Cuci article: "Gorbachev's Interests in a 'Common European Home'"]

[Text] The concept of a "common European home" was served up by Gorbachev on the very first official visit he made to France in October 1985. Since that time, this idea has assumed an increasingly prominent place in Soviet papers and propaganda, and especially in the Kremlin leaders' official speeches and in meetings with leaders of Western countries.

Although this concept has still not been fully described or laid down as a tangible program, the "common European home," as analyzed by the Soviets, implies "a new system of security and cooperation relying on the gradual elimination of military, political, and economic divisions in Europe; reductions in armed forces and conventional weapons supported by new measures of trust, security, and European disarmament; the reduction of nuclear potential to levels adequate for defensive strategy; the elimination of the possibility of nuclear catastrophe; the unification of the economic area of Europe by devising a way to bring together CEMA, the EEC, and EFTA; the unification of methods of international economic cooperation in order to create, in the not too distant future, a united inter-European economy," and so forth. It has been suggested that the area of this "home" should extend from the Atlantic to the Urals, and that the United States and Canada can be "accepted" into it.

This European homogenization, so insistently sought, is not only a synthesis of Gorbachevite political and social "new thinking," but is also a central pillar of its strategy for the restructuring of international relations. The same factors that have made a thorough domestic restructuring necessary, such as prolonged economic crisis and stagnation, the technological backwardness of the Soviet economy, exaggerated militarism, the Soviet Union's marginal position in the large-scale international division of labor, and the country's low international prestige on the world stage as a result of its aggressive policies and its invasions of Czechoslovakia and Afghanistan, also lie at the foundations of this initiative for a "common European home."

What profits has Moscow reckoned will come from the creation of a "common European home?"

1. According to Gorbachev, Europe "cannot continue to exist by relying on the concept of political, economic, and military confrontation.... Constructive dialogue, a spirit of mutual understanding and trust, and more even levels of economic development" constitute the most important elements in the creation of a pan-European community. The Soviet revisionists' campaign does not demand a move from policies of confrontation to those of dialogue in order to demonstrate, as it pretends, the peaceful and democratic nature of "specifically Russian socialism," because this so-called socialism, besides disillusioning public opinion both at home and abroad, has also destabilized the entire structure and superstructure of Soviet society. The new Kremlin leaders need a policy of dialogue now more than ever in order to use it as a trump card in the game of inter-imperialist rivalry. The Soviet superpower cannot use a policy of military confrontation to meet the demands of the worldwide arms race with United States imperialism, when the United States has Western Europe on its side. In such a situation, dialogue and disarmament serve as more politically fruitful alternatives, permitting a period of "ceasefire" that will give time for Soviet social-imperialism to recover its debilitated strength.

2. To achieve this goal, the Soviet Union is skillfully exploiting the contradictions and disagreements that have risen within NATO between the United States and the countries of Western Europe over the problems of modernizing the conventional and nuclear arsenal. The United States' aim that the allies should contribute more to this modernization and to maintaining an "equilibrium" in conventional weapons by eliminating stockpiles and perfecting new weapons has currently failed to meet with the approval of several countries in the alliance. These countries have preferred to maintain the status quo and the equilibrium that has been achieved within it. The United States' idea of modernizing NATO's military potential also does not appeal to these countries because they are insufficiently economically and financially prepared to cope with this modernization, which could upset their economic balance, give rise to acute ecological problems, and cause deeper social antagonism with progressive public opinion and among social classes within these countries.

The concept of a "common European home" has been launched on the stage as a representative of common, pan-European interests, something that will alleviate tension, promote peace and security, and speak for the interests of the whole of mankind. While they adorn the concept by talking of common cultural traditions, historical roots, customs, peace-loving and democratic aspirations, and so forth, thus portraying "Greater Europe" as a "single entity," the Gorbachevites still consider "logical" the inclusion of the United States in this "common home," while in fact aiming to detach the United States from Europe in the not too distant future. The possibility of creating such a "home" is more absurd than realistic. Apart from this, with their "common European home," Soviet revisionism's current representatives seek to secure for themselves fresh international legitimacy, restoring their lost prestige by gaining political capital on the international arena with claims to be "noble representatives of democracy and humanism."

3. What particularly urges the Soviets to advance such a theory is their urgent need to overcome their technological backwardness in comparison with the West. Having

greatly distanced themselves from the technological potential of the great corporations of world capitalism, the Soviet Union and other CEMA countries are at present at a disadvantage in the worldwide competitive struggle to share markets and spheres of influence which has, particularly in the eighties, assumed the character of a technological war. According to data in the Soviet press itself, the seven or eight most highly developed capitalist countries account for four-fifths of the world's sales of new technology and issue nine-tenths of the world's export licenses (see MEMO No. 11, 1987, p. 29). This position is also evident in the figures of the volume of world exports, where CEMA countries export 4.5 times less per head in comparison with Western European countries.

The inclusion of the Soviet Union in the pan-European community thus aims to overcome the barriers raised by the West in the transfer of advanced technology to the East and to pave the way for free movement in this trade. According to the agreement of the Coordinating Committee for the Sale of High-Technology Goods, it is forbidden to export new technology of strategic significance to the East. As a result of this agreement, Eastern European countries can profit from the partial and limited transfer of Western technology, while they can only obtain the basic technologies of modern technical and scientific progress by complying with major political and economic conditions. The advocates of perestroyka consider the filter imposed by this committee, which is the main weapon in ensuring the East's technological dependency on the West, to be "protectionist atavism," which uselessly limits economic potential at the cost of development." [quotation marks as published]

4. The danger of a split within the "socialist community" is also a particular interest of Moscow in producing the idea of a "common European home." Integrated with Western capital by a multitude of ties, and dependent on it to a considerable extent, the countries of the East are increasingly unifying their economic and political structures with those of contemporary capitalist countries. Any attempt to restrain this now irreversible process in any way would give a powerful impetus to centrifugal forces within the "socialist camp." Gorbachev's repeated statements that "all countries can build socialism in their own specific way," imply among other things the Kremlin's powerlessness to restrain the pro-Western trends and tendencies of CEMA countries and a moderation of the Kremlin's relations with its allies, giving them a little more leeway so that they will not slip the leash entirely. Of course, the Soviet Union would attempt to maintain its role as leader of the countries of the "socialist bloc" within a united "Greater Europe," but would do so by other ways and means.

It is clear that the Soviet Union's interests in creating a "common European home" conflict with the interests of the other side. Western Europe and the United States may permit its construction, to the extent that they allow new markets to be opened, with new spheres of capital investment and guaranteed high profits. However, they will not in any event allow their supremacy to be lost, especially in the economic field.

Soviet Miners' Strike Causes 'Panic' in Kremlin

AU0108123789 Tirana ZERI I POPULLIT in Albanian 27 Jul 89 p 4

[Lulzim Cota article: "The Miners' Strike—Sign of the Failure of Perestroyka"]

[Text] As has been reported, the Soviet Union has now been enveloped by a wave of miners' strikes for more than 2 weeks. The strikes began in the Kuzbass coal basin in Siberia. They later quickly spread to the mines of Karaganda in Central Asia and the Donbass coal basin in the Ukraine. The strikes are now spread over a wide area, from the Polish border to Central Siberia, and from the far north to Central Asia. More than 500,000 miners at 175 mines have joined the strikes, demanding better living and working conditions, higher wages, etc. The miners have challenged the official trade unions by their strike, and have formed strike committees to control it and to voice their interests and defend them against what they call the "bureaucratized" authorities.

The extent and duration of the strikes has caused great alarm and panic in the Kremlin. Three times in 1 day Gorbachev called on the miners to abandon their strike and restart work. In his speech to the Supreme Soviet on Monday [24 Jul], Gorbachev admitted that "this has perhaps been the most severe test since the beginning of perestroyka 4 years ago" and that "the strike movement could destroy the entire process of perestroyka and restructuring." The strike's spread to a national scale has also given it the character of a political crisis. Gorbachev's speech to the Supreme Soviet identified the cause of the miners' strike and its swift spread in the fact that "local authorities did not succeed in responding properly to problems as they arose." In order to alleviate the tension caused by the miners' strikes, Gorbachev announced that "those officials who failed to pay heed to the workers' problems have been dismissed from their posts." However, the miners stated openly what Gorbachev was at pains to conceal, that the real cause lay in the difficulties of the situation and poor working and living conditions. A short time before, Prime Minister Ryzhkov was forced to admit that the country has a budget deficit of R160 billion, that the economy is in crisis, etc., etc. Some delegates at the Congress of People's Deputies asserted that the miners' strikes have shown that the people's confidence has evaporated and that they have had enough of promises. "They trust nobody. For years on end, they have had nothing but promises," the deputies said in their forum.

Even after three appeals by Gorbachev, thousands of miners in the Donbass coal basin continued their strike, emphasizing that perestroyka has not brought the country out of its crisis, but has deepened this crisis even further. The miners also said this at the meeting of

representatives of the Donbass strike committee with Prime Minister Ryzhkov. The situation is serious, and the Soviet Congress gave the alarm that "if the workers in the Urals, the farmers, and workers in other fields reach the same conclusions as the miners, we will be faced with a situation of real emergency."

ATA Reports on LCY Central Committee Plenum

Criticism of Serbia Viewed

AU0108094989 Tirana ATA in English
0806 GMT 1 Aug 89

["'There Can Be No Yugoslavia Without Equality for All Nations and Nationalities, Without a Democratic Federal Order,' the Plenum of the CC of the LCY Stresses—Nationalist and Hegemonic Policy of Serbia Condemned—Worry in Other Parts of Yugoslavia Over the Consequences of the Incorrect Solution of the Kosovo Question"—ATA headline]

[Text] Tirana, August 1 (ATA)—The 25th plenum of the Central Committee of the League of Communists of Yugoslavia, which began its proceedings on July 30, is going on. During the first two days fierce debates took place with regard to the problem of the international relations at home. The plenum, the reports of the Yugoslav press point out, was conducted in the atmosphere of savage international relations and interrepublican quarrels. The escalation of nationalism which leads to open national conflicts, a commentary of Radio Yugoslavia of July 30 stresses, is instigated to a great extent by the deep political conflicts. The Presidency of the LCY [League of Communists of Yugoslavia], which convened last week, stressed that in Yugoslavia "the processes of national intolerance, mistrust and exclusiveness are increasing." As TANJUG admits, "In essence of all the open confrontation (mainly between Serbia and the majority of other republics) are the different stands on the Kosovo problem." In Slovenia, Croatia, Bosnia-Hercegovina, and other parts of Yugoslavia the disturbance is arousing over the consequences threatening their peoples, in case the nationalist-chauvinist actions are not halted and the Kosovo problem is not correctly solved.

In the opening speech held in the plenum, the member of the LCY Presidency (from Croatia) Ivica Racan, said that in Yugoslavia there is a growing worry and fear with regard to the international confrontations and their possible tragic consequences. The aggravation of the international relations, as he admitted, is first of all the reflection of the crisis of the Yugoslav "model" of socialism, of the crisis of the system of self-administration. This model, he emphasizes, cannot solve the deep social contradictions and cannot be the basis for the development of the international relations; it has encouraged the social inequalities, has imposed the wrong political solutions and has not managed to solve the crisis in Kosovo. Racan appealed for more freedoms and rights of the citizens and more efficient measures to bar the road of nationalism and chauvinism.

The allusions towards Serbia were very clear in the opening speech. The national homogenizations, Racan underlined, constitute a great danger for multinational Yugoslavia, because the process of national homogenization is turned into a process of international confrontations of great proportions.

The establishment of the relations on the basis of equality, Racan said further on, means that no nation can have more rights than the others, no people can enjoy any privilege on the basis of their number and economic potential. In conclusion, he stressed that there can be no Yugoslavia without equality of all its nations and nationalities and without a federal democratic order.

The contributions conducted at the plenum, TANJUG reports, stressed that the crisis of the international relations has found favourable ground in the worsening of the economic situation, but its main cause is the strife for a re-share of the power within the country. As the French news agency AFP reports, debates reached the climax when some speakers openly accused Serbia and its leader Slobodan Milosevic of applying a policy which aggravates the international tensions throughout the country. The leadership of the Republic of Serbia, the Belgrade newspaper POLITIKA EKSPRES writes, was more often criticized, and some speakers even accused it of a nationalist and hegemonic policy. The contributions pointed out that the international crisis is aggravated due to the tendencies towards centralism and unitarianism. Representatives of Slovenia, Croatia and Bosnia-Hercegovina pointed to the harm the national homogenization does to the international peace. The criticisms concerning the process of homogenization, TANJUG admits, were addressed especially to Serbia. Bosnia-Hercegovina's attack against Serbia at the plenum, which was accused of demanding to destabilize the other republics, using to this purpose also the fact that a great number of Serbs reside in these republics, was the most severe one launched up to now. Other speakers denounced the outburst by the Big Serb nationalism and chauvinism as well as Serbia's attempts to export "the national revolution," that is to realize its hegemonic aims in Yugoslavia through the organisation of mass rallies and manifestations of Serbians in the other republics.

Interethnic Rifts Noted

AU0208102089 Tirana ATA in English
0908 GMT 2 Aug 89

["Great Worry From the Hegemonic and Nationalistic Policy of Serbia to Dominate Throughout the Country—Aborted Efforts To Find a Way Out From the Crisis of International Relations—The Serbian Nationalism in the Defendant's Bench"—ATA headline]

[Text] Tirana, August 2 (ATA)—The two-day plenum of the CC [Central Committee] of the LCY [League of Communists of Yugoslavia], the Yugoslav news agency TANJUG reports, ended without any reply to the question whether the Yugoslav party is able to overcome the

splits and quarrels and to cure the "sore" spot. The approval of the joint conclusions was postponed for the end of August or September.

The debate, the Western news agencies report, showed clearly the great worry of the other parts of Yugoslavia caused by the policy of Serbia, its aims to dominate throughout the country. The plenum had unprecedented accusations by the representatives of Slovenia, Croatia, and Bosnia-Hercegovina against the policy of the leadership of the Serbian party, which was described as a hegemonic and nationalistic policy. Dusan Dragosavac, member of the leadership of Croatia, TANJUG agency underlines, made sharp accusations against the Serbian policy and called it even an enslaving one. "Serbian nationalism has now occupied the scene," he declared. Dragosavac asked the Central Committee to prepare a special analysis for the relations between the Serbians and the Croatians. He accused also the Serbian leadership that it has brought the Orthodox Church on the political scene on occasion of the celebration of the 600th anniversary of the Battle of Kosovo Plain. Another contributor, Muhamed Abadzic, from Bosnia-Hercegovina, said that Serbian nationalism has become evident and is irrigating the members of all the other nationalities in Yugoslavia. [sentence as received]

In a report entitled "Failure of the LCY Plenum on the International Tensions," the French news agency AFP points out that the disagreements among various leaders of the country became evident in the two day debates. The plenum was a complete failure in the attempts to find an way out from the grave international crisis the country is in. LCY is in this way in a blind alley, the agency emphasizes. Those who took the floor expressed the worry on the growth of the nationalistic passions threatening the stability of the country. The majority of those who took the floor, AFP emphasized, defined as cause of the international tensions Serbia's policy, whose leader, Slobodan Milosevic, is accused of nurturing ambitions to become master of Yugoslavia, playing the card of the nation having the largest number of population.

The British news agency REUTER pointed out that "Serbia was again attacked for the instigation of nationalistic hatred and the attempt to extend its influence in the country," whereas the Yugoslav prime minister, Ante Markovic, accused his opponents that they are hatching up plots to overthrow him and hamper the implementation of his economic program.

At the plenum new attacks were launched against the Albanian population in Kosovo, which opposed the constitutional changes depriving the province of its autonomy. Likewise, the Constitution of 1974, which according to the Serbs led to the disintegration of Yugoslavia, was also attacked. As it follows from the reports of TANJUG, the contributions of the Serbian representatives at the plenum revealed again Serbia's aims to intensify its policy against the Albanians of Kosovo and to force the other republics back up this policy. [sentence as received]

Carcani Greets Italy's Andreotti on Appointment

AU3107121789 Tirana ATA in English
0731 GMT 31 Jul 89

[Text] Tirana, July 31 (ATA)—Comrade Adil Carcani, chairman of the Council of Ministers of the People's Socialist Republic of Albania, sent the following message of greetings to the chairman of the Council of Ministers of the Italian Republic, Giulio Andreotti:

"It is a pleasure for me, on occasion of your appointment to the high post of the chairman of the Council of Ministers of the Italian Republic, to send you my sincere greetings and wishes.

"I avail myself of the opportunity to wish that the relations of good neighbourliness between Albania and Italy experience new further development, to the benefit of our two peoples and of peace."

Further District Harvest Results Reported

AU0108122889

[Editorial Report] Tirana ZERI I POPULLIT in Albanian on 21 July carries on page 1 a 250-word ATA-attributed report stating that the Sarande District Albanian Workers Party (AWP) Committee wrote to Ramiz Alia, AWP Central Committee first secretary, informing him about the harvest results. The wheat production plan was fulfilled by 96 percent and deliveries to the state by 100 percent. The livestock-raising sector overfulfilled its milk production plan by 10,000 quintals or 15,000 quintals more than in the previous year. The 6-month industrial production plan was overfulfilled by 9 million leks and the productivity increase target was exceeded by 5 percent.

Tirana ZERI I POPULLIT in Albanian on 26 July also publishes on page 1 a 600-word report stating that Tirana District has informed Ramiz Alia that the wheat production plan has been fulfilled by 102 percent and deliveries to the state have been overfulfilled. As a result, the 4-year wheat production plan was fulfilled by 103.6 percent and the delivery plan by 104 percent. In addition, the report states that the egg production and delivery plans were fulfilled respectively by 103 percent and 110 percent, the meat production and delivery plans respectively by 114 percent and 105 percent, and the fruit production and delivery plan respectively by 127 and 134 percent.

Successes are also reported in the economic sector: The accumulation plan was fulfilled by 106.4 percent and the budget income plan by 102.7 percent. The 6-month industrial production plan was fulfilled by 101.8 percent, the export plan by 112.5 percent, the construction plan by 101.9 percent, the retail trade plan by 104.7 percent, the communal services plan by 101.5 percent, and the transportation plan by 105.1 percent.

Zhivkov 'Ready for Negotiations' With Turkey

LD0108155389 Kuwait KUNA in English 1426 GMT 1 Aug 89

[Excerpt] Sofia, Aug 1 (KUNA)—President Todor Zhivkov, responding to a call from H.H. [his highness] the amir of Kuwait, chairman of the Organization of Islamic Conference, Shaykh Jabir al-Ahmad, said Tuesday his country is ready for negotiations with Ankara to settle the problem of Muslim ethnic Turks in Bulgaria.

President Zhivkov, in a meeting in the Black Sea resort city of Varna with two envoys representing H.H. the amir of Kuwait, expressed appreciation and gratitude to the Amir Shaykh Jabir al-Ahmad for his initiative to mediate between Bulgaria and Ankara. [passage omitted]

Receives Conference Envoys

AU0108164989 Sofia BTA in English 1622 GMT 1 Aug 89

[Text] Varna, August 1 (BTA)—Mr Todor Zhivkov, president of the State Council, today received at the Evksinograd residence Mr Hamid al-Ghabid, secretary general of the Organisation of the Islamic Conference (OIC), and Mr Sulayman Majid al-Shahin, Kuwaiti Foreign Ministry under secretary, who handed him a written message from His Highness Shaykh Jabir al-Ahmad al-Jabir al-Sabah, Amir of Kuwait and president of the fifth session of the Organisation of the Islamic Conference. The message commends highly bilateral relations and conveys to Mr Todor Zhivkov most sincere greetings and best wishes for the promotion and strengthening of the contacts of friendship and fruitful cooperation between Bulgaria and Kuwait.

The sides exchanged views on matters concerning bilateral relations and some pressing problems of regional and international concern. Particular attention was devoted to the state of Bulgaro-Turkish relations.

Mr Todor Zhivkov commended the goodwill mission of the Amir of Kuwait, Shaykh Jabir al-Ahmad, seeking a negotiated settlement of the outstanding problems between Bulgaria and Turkey without preconditions. He conveyed most cordial greetings and best wishes to the Amir of Kuwait for health, happiness and every success in his highly responsible work for the benefit of the friendly Kuwaiti people.

The meeting was attended by Mr Petur Mladenov, minister of foreign affairs.

Sofia Radio Reports Turkey's Internal Affairs

AU3107164089 Sofia Domestic Service in Bulgarian 1500 GMT 31 Jul 89

[Text] Tension in eastern Turkey has recently increased. The armed clashes between the Kurdish fighters for rights and freedoms and the Turkish Army are becoming more frequent.

A large military operation is under way in the area of [name indistinct] mountain, where the Kurdish partisans have established themselves. Many villages in the region are being forcibly evacuated and the population is subjected to strong pressure on the part of the security forces.

The situation in the eastern and southeastern parts of Anatolia is alarming, Erdal Inonu, chairman of the Social Democratic People's Party, is reported to have declared at a plenum of this party's leadership, which is the main opposition force in Turkey. Inonu, who was cited by the ANATOLIA news agency, reportedly pointed out that the population is in a helpless condition and people fear for their own safety.

Zhivkov Congratulates Rakowski on Election

AU0108160389 Sofia RABOTNICHESKO DELO in Bulgarian 31 Jul 89 p 1

[Text] Todor Zhivkov, general secretary of the Bulgarian Communist Party [BCP] Central Committee and chairman of the State Council, sent the following telegram to Mieczyslaw Rakowski, first secretary of the Polish United Workers Party [PZPR]:

Esteemed Comrade Rakowski, I congratulate you most sincerely on the occasion of your election to the post of first secretary of the PZPR Central Committee.

Your election is an expression of the great confidence which the Polish Communists have in you as a distinguished figure of the PZPR and an active supporter of the reforms aimed at the renewal of socialism in Poland for the Polish people's well-being.

I am convinced that you will continue to contribute to the development of fraternal friendship between the BCP and the PZPR, between the Bulgarian and Polish peoples, to the benefit of comprehensive cooperation among the socialist countries, for social progress and peace all over the world.

I wish you vigorous health and new successes in your highly responsible work.

Zhivkov Greets Iranian President on Election

AU3007180089 Sofia BTA in English 1651 GMT 30 Jul 89

[Text] Sofia, July 30 (BTA)—Mr Todor Zhivkov, president of the State Council, has cabled most cordial congratulations to Hojjat ol-Eslam 'Ali Akbar Hashemi-Rafsanjani, president of the Islamic Republic of Iran, on the occasion of his election to this office.

"The Bulgarian leadership commends highly your remarkable role in the development of the Islamic Revolution and in shaping the home and the foreign policy

of the Islamic Republic of Iran, as well as your extraordinary contribution to the promotion and expansion of Bulgaro-Iranian cooperation," the cable reads.

The firm conviction is expressed that the forthcoming visit to Bulgaria by the Iranian president will open a new chapter in the history of the traditionally good and vigorously progressing contacts between the two countries.

Lyuben Gotsev Holds Diplomatic Talks in Moscow
AU0108165189 Sofia BTA in English
1630 GMT 1 Aug 89

[Text] Moscow, August 1 (BTA)—Consultations were held at the USSR Ministry of Foreign Affairs today between Mr Ivan Aboymov and Mr Vladimir Petrovskiy, deputy ministers of foreign affairs of the USSR, on the one hand, and Mr Lyuben Gotsev, deputy minister of foreign affairs of Bulgaria, on a wide range of international issues, including the single approach to the international organisation and the preparations for the CSCE Environmental Protection Conference, due to be held in Sofia in October and November.

Article Discusses Faults of National Assembly
AU0108144689 Sofia POGLED in Bulgarian
No 31, 31 Jul 89 p 8

[Article by Senior Scientific Fellow Velko Vulkanov, candidate of legal sciences: "Is Our Parliament a Working Body?"]

[Excerpts] Do you know the etymological meaning of the word "parliament?" "Parliament" means "a place for talking." Thus, the classics of Marxism-Leninism in fact called the supreme representative organ of the bourgeois state a "talking shop," since in essence it only engages in talking (all serious issues being resolved not in parliament, but outside). They contrast this "talking shop" with a representative body of the type of the Paris Commune—a true working organ, which not only legislates, but also undertakes all the measures to implement the laws it adopts.

However, we have looked at our own practice and seen that reality far from always corresponds to the beautiful sounding theories. Is our parliament, the National Assembly, really a working body?

Several times I have taken second-year students to the National Assembly, so that they could see how it "works," and always after the visit I stood before them with my eyes lowered from embarrassment. They noticed everything, how some people's deputies were reading newspapers, others were dozing, and yet others were chatting among themselves while the speaker on the platform was reading a long speech that few people were listening to. I tried to defend the National Assembly by saying that the main work is done in the permanent commissions, that the real discussions, arguments, interruptions, and caustic remarks are heard there. However, my very defense contained the admission that the plenary session of the National Assembly, that is, when all its members are present, is not a working organ, if the word "working" is understood in its true sense of labor, creativity, and constructive work.

Yes, I have the feeling that our parliament does not know the torment of constructive work. Take any session you like, and you will find that several draft laws were adopted in the course of an hour or two. It remains for us to ask ourselves when the people's deputies managed to study the draft laws in order to be able to vote them through in this short time. (Note: The Eighth National Assembly had 20 sessions, 12 of which, at which fundamental structural changes to the Council of Ministers were adopted, lasted 10 minutes in all. This National Assembly sat for a total of 105 hours, that is, about 12 working days, within which it discussed and decided 121 questions, of which 49 were draft laws. In 12 days I barely manage to finish a medium-length article.) However, the most weighty argument against the "working" nature of the National Assembly is not the question of time. What disturbs one most of all in this instance is the unanimity with which the National Assembly invariably adopts all its legal acts. Over all the years that the National Assembly has been in operation there have barely been two or three occasions when individual people's deputies voted "against" some draft law or other. (Note: The Eighth National Assembly held 191 votes, and not once did the chairman declare that any of the people's deputies had voted "against" the draft decision or draft law in question.) In certain conditions, unanimity is just as "good" or "bad" as disagreement is "good" or "bad" in other cases. Moreover, it is perfectly obvious that in most cases the unanimity could not have been genuine. It is impossible for hundreds of acts to be adopted and for none of the 400 people's deputies on any single occasion to feel a desire to oppose the view of the others. However, if this is impossible, one inevitably gets the feeling that the people's deputies either do not discuss the essence of the proposed draft acts, or do this purely formally. The work is not compatible with unanimity. How, then, can I hold the same view as the other 399 persons which whom I am working on a particular draft law? The truth that the unanimity of the National Assembly conceals a job of work that has already been completed, and not particularly well at that, is proved by the simple fact that only a month or two after the adoption of a given law, amendments start to be made to it. Take for example the Law on Citizens' Property. Adopted in March 1973, as early as in June of the same year it started to undergo amendment, and these amendments are continuing to this very day.

There is a clear need for the National Assembly to be transformed into a true working organ of the entire people. It is the very place where national contradictions, i.e. contradictions common to the whole nation, the entire people, should be encountered and should find a

solution. Only when the National Assembly itself concerns itself with solving these contradictions can we hope that the adopted decisions will be the most correct ones. [passage omitted]

At one time there was an expectation that the State Council would ensure "the combination of legislative and executive activity" (as stated in Article 90, paragraph 2, of the Constitution). Unfortunately, this did not come to pass, since the National Assembly did not manage to escape from the rut of its own stagnation in order to transform itself into a legislative and, at the same time, executive organ. Perhaps we should return to the form of the presidium, which apparently better corresponds to the representative form of government. This form, inextricably associated (even in name) with the supreme representative organ, emphasizes the assembly's predominant position in the system of organs of state. However, instead of a Presidium of the National Assembly it would be more appropriate for us to have a Presidency of the National Assembly (including the chairman and deputy chairmen of the National Assembly).

The forthcoming amendment of the Constitution, for which a special commission has already been selected, makes it necessary to open to broad public discussion all the questions mentioned above, as well as all other issues connected with further improving our political system.

Daily Surveys Janos Kadar's Life, Career

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[Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 28 July on page 4 carries a 1,500-word article by Zdravko Raykov entitled: "Heroic Life." The article deals with Janos Kadar's life and work.

Raykov begins by describing the atmosphere in Budapest during the days before Kadar's funeral and the "stream of people who have come to pay their last respects to the great son of Hungary. The weather was incredibly hot, but the people waited patiently for hours to see for the last time the man whose name and cause was linked with the last few decades in Hungary and pay their last respects to him."

Raykov describes Kadar's career. Dealing with the 1956 events he says: "In Hungary, and not only there, many people are asking the same question: Were the tragic events of the fall of 1956 a popular insurrection or a counterrevolution? For Janos Kadar, a man with great political experience who headed the struggle for mobilizing and rallying the country's revolutionary forces during that period there was only one answer: a counterrevolution."

Raykov quotes an interview with Kadar "shortly before his death," stressing Kadar's words on the importance of friendship with USSR as well as the importance of building up the unity of the people. In this context Raykov says:

"It was an undisputable truth for Janos Kadar that the loyalty of every communist and workers' party to Marxist-Leninist teaching was the guarantee of success in its struggles. For him this was an essential theoretical means for solving the strategic tasks faced by Hungary and the entire socialist community as well. He viewed the renewal of Hungarian society as a cause aimed at forming and expressing new qualities of socialism, in the name of more socialism."

Further on Raykov reviews Kadar's "merits in forming the Helsinki process and developing dialogue between East and West," and the opinion of the Hungarian people about Kadar. In this context he says:

"Today there were people not only in the West, but also in Hungary, who were inclined to see Janos Kadar's funeral as the symbolic conclusion of an era—'The Kadar Era,' the era of socialism in that country. Certain representatives of the opposition and antisocialist forces made not merely unjust, but also insulting remarks about the historical achievements of the Hungarian people during the last few decades." Raykov sees the "all-people adoration for the great son of Hungary," as the "clearest and most categorical reply to those attacks."

In conclusion Raykov says:

"Time has no power over the thought and heroism of Janos Kadar. As a Hungarian Communist has said, in the last 200 years the country has not had such a politician and statesman. His entire life was devoted to the struggle for the triumph of the communist ideals and the benefit of the working people. His name will be cherished forever in the historical memory of the Hungarian people and the international communist and workers' movement."

First Half of 1989 Economic Results Published

AU2607131889 Sofia RABOTNICHESKO DELO in Bulgarian 22 Jul 89 pp 3, 4

["Announcement of the Central Statistical Administration on the Results of Fulfillment of the Uniform State Plan for Bulgaria's Scientific, Technical, and Socioeconomic Development During the First 6 Months of 1989—Basis for Stable Development and Manufacture of Additional Products"]

[Text] The fulfillment of the plan for the country's scientific, technical, and socioeconomic development was carried out in a specific economic situation during the first half of 1989. The initial stage of the transition to the company-based organization of economic activity was being implemented, and a qualitatively new normative base was being introduced, stemming from the Decree on Economic Activity and the regulations for its application. The piecework and leasehold forms of social

production were being expanded, and many labor collectives put forward the patriotic initiative to work extended working days and on some of their rest days in order to produce additional output for the domestic market and for export.

The results of the last 6-month period indicate that the national economy, taken as a whole, is developing successfully. Increases were achieved in all the basic indicators, as compared to the first half of 1988. Over 50 percent of the annual state production plan was fulfilled in the case of a number of main industrial products, and 49.5 percent of the industrial goods output and 51.4 percent of the net output envisaged in the state plan for the year were produced. I. Main Results in National Economic Development.

The results of the country's economic and social development during the first half of 1989 according to the basic indicators were as follows:

Indicators	Reported for first half of 1989	First half 1989 as percentage of first half 1988
Manufactured output from all branches of material production, million leva including:	36,014	102.7
Industrial goods output, million leva	26,066	102.6
Agricultural output, million leva	2,025	100.1
Net output (not including agricultural organizations), million leva	11,558	108.3
Aggregate profit (not including agricultural organizations), million leva	7,011	112.8
Social labor productivity (not including agricultural organizations), leva	4,560	109.1
Material expenditure (not including depreciation) per 100 leva of output (not including agricultural organizations), leva	62.86	97.9
Goods supplied to domestic market (at current retail prices), million leva	8,697	110.0
Retail goods turnover (at current prices), million leva	8,902	106.9
Everyday services to population, million leva	441	106.6
Foreign trade goods turnover, million convertible leva	12,712	92.5
Average wages of workers and employees (not including agricultural organizations), leva	1,506	102.4

The entire increase in net output compared with the first half of 1988 was achieved by higher social labor productivity, with the use of smaller numbers of staff.

The companies and other economic organizations continued their efforts aimed at resource-saving development of the economy. Prime cost per 100 leva of output fell by 1.3 percent as compared with the first half of 1988. Thanks to the more rational use of raw and other materials, fuels, and energy, a relative saving of 447 million leva was achieved in material expenditure (not including depreciation).

Improved use was made of the basic production funds. In the nonagricultural branches, net output per 100 leva of basic production funds rose by 0.9 percent as compared with 1 January 1989, while production profitability (aggregate profit per 100 leva of production funds) rose by 5.3 percent.

Progressive structural changes continued to be made in the economy. Production rose substantially in the structure-determining sectors of industry: In the "Electronics" complex it rose by 6.0 percent; in the "Transport, Agricultural, and Construction Equipment" complex, by 3.9 percent; and in the "Biotechnological and Chemical Industries" complex, by 3.8 percent. Higher production was also achieved in the "Industry for Man" complex (4.4 percent) and the "Agro-Industrial" complex (2.0 percent).

Further changes also occurred in the product structure of manufacturing industry. Some 10.6 percent of industrial goods output was renewed, as against a figure of 7.4 percent for the January-June period of 1988. Higher degrees of renewal in product output were achieved in the "Electronics" complex (30.8 percent), the "Transport, Agricultural, and Construction Equipment" complex (19.1 percent), and the "Heavy Machine Building" complex (17.0 percent).

The restructuring of the economy was carried out mainly on the basis of scientific and technical achievement, with 1,465 million leva, or 40.8 percent, of the total capital investment for the year being assimilated for the technical reequipment and technological renewal of production.

A number of new automation and mechanization means were handed over for use to the production units. A total of 514 new metal-cutting machines with numerical program control were installed, and 176 completely mechanized processing lines, 46 automated technological modules, 160 automated data processing systems, and other equipment were introduced, as well as 2,754 computers, thus increasing the total number of computers by 12.6 percent over the figure at the end of last year.

A total of 5,399 scientific and technical development projects were mastered, of which 1,754 were for new and improved technologies and 2,421 for new and improved products. In addition, 4,222 scientific development projects were completed for introduction into production.

The People's Republic of Bulgaria continued its economic cooperation with the countries of the socialist community and the nonsocialist states. Direct economic

links with companies from other countries were intensified, and new mixed companies were set up by Bulgarian and foreign producers.

Goods were exported valued at 6,570 million convertible leva, 60 percent of which consisted of production machinery and equipment. The value of imported goods was 6,142 million convertible leva.

Along with the results achieved, certain weaknesses and shortcomings also appeared in the work of companies and other economic organizations.

During the 6-month period 1,168, or 23.9 percent, of the divisions of companies and enterprises failed to fulfill their production plans. The 6-month plans were not fulfilled for 70 main types of products covered by state orders or included in the state plan, and in the case of 96 types of goods lesser quantities were produced than in the January-June period of 1988.

In the field of technological renewal, the planned efficiency was not always achieved, and technological innovations are being assimilated at a slow rate.

Weaknesses also appeared in the fulfillment of contractual obligations, and this had an unfavorable effect on the activity of certain companies and other economic organizations.

Despite the 10 percent increase in production for the domestic market, in the trading network there were shortages of a number of goods in high demand by the population. II. Development of Material Production

The results from the activity of the production complexes with respect to the basic indicators, as compared with the first half of 1988, were as follows:

Production Complexes	First half 1989 as percentage of first half 1988		
	Goods output	Net output	Social labor productivity
Electronics	106.8	108.8	106.0
Biotechnological and chemical industry	104.2	111.8	109.9
Transport, agricultural, and construction equipment	104.1	116.8	116.5
Heavy machine building	99.7	108.3	109.3
Metallurgy and mineral raw materials	100.3	104.8	104.4
Energy industry	98.2	90.0	89.5
Construction and building industry	98.5	104.9	106.8
Industry for man	104.6	113.3	113.4
Agro-industrial compiex	102.2	113.7	113.4
Forest industry	100.1	114.6	113.8

Goods output in the material production branches was 945 million leva higher than in the first half of 1988. The increase was mainly provided by the companies and their economic organizations in the structure of determining complexes and the complexes producing goods for the commodity fund.

The following results were achieved in the individual oblasts, as compared with the first half of 1988:

Oblasts	First 6 months of 1989 as percentage of first 6 months of 1988		
	Produced output	Net output	Social labor productivity
Burgas	102.4	105.6	106.4
Varna	103.3	111.2	113.4
Lovech	103.4	111.6	111.5
Mikhaylovgrad	103.1	109.6	109.5
Plovdiv	103.0	109.6	109.2
Razgrad	101.6	106.9	108.6
Sofia City	105.0	110.8	110.9
Sofia Oblast	102.8	110.3	109.5
Khaskovo	99.1	101.6	102.1

The economic organizations in Sofia City, Lovech, Plovdiv, and Varna Oblasts contributed the largest shares in the increase in production as compared to the first half of 1988. They were responsible for 70 percent of the increase in production and industrial goods output.

The results for the individual production complexes were as follows:

"Electronics" Complex

Main products	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Automated project design systems, units	137	236.2
Automatic technological modules for machining, units	34	87.2
Precision machine tools with numerical program control, units	188	111.9
Machining centers, units	290	145.0
Automated systems for testing printed circuit boards	30	120.0
Automatic telephone exchanges, thousand lines	234	104.5

The complex produced 191 million leva more output than in the first half of 1988 and provided 20.2 percent of the overall increase in output. New and improved products valued at 886 million leva were produced.

A total of 578 scientific development projects were completed and 300 such projects were introduced into production. The additional profit from the introduction of new technologies, products, and raw materials amounted to 131.3 million leva.

Prime cost per 100 leva of output fell by 4.9 percent, and material expenditure (not including depreciation) showed a 5.5 percent decrease. Production profitability, measured on a production funds basis, fell by 3.1 percent.

"Biotechnological and Chemical Industry" Complex

Main products	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Soda ash, industrial grade, thousand tonnes	583	103.2
Low density polyethylene, thousand tonnes	31	78.8
Oil paints and varnishes, thousand tonnes	40	110.4
Polystyrene, thousand tonnes	14	106.7
Tires for trucks, buses, trolleybuses, and trailers, thousand units	477	103.9
Car tires, thousand units	537	104.7
Chemically pure substances and reagents, thousand leva	6,278	115.6
Polyvinyl chloride floor coverings, million square meters	15	90.0
Complete air conditioning installations, thousand leva	5,498	89.5

The value of production output in the complex rose by 187 million leva, as compared with the figure for the same period last year, which represented 19.8 percent of the total growth in output. Over 1.1 billion leva of goods were supplied to the domestic market, 15.6 percent more than in the first half of 1988.

A total of 391 scientific development projects were completed and 213 scientific projects were introduced into production.

New products brought into regular production included dichloroethane, superelastic tires for lift trucks, biaxially oriented polypropylene film, and methyl tertiary butyl ester. The complex produced new and improved products valued at 737 million leva.

Compared with the same period last year, prime cost per 100 leva of output fell by 1.7 percent, while material expenditure (not including depreciation) fell by 2.6 percent. Production profitability rose by 7.1 percent.

The following items specified in the state plan were not brought into production: an "Automatic Juice Cooling and Dispensing Unit," "Ultrapure Substances for Optical Electronics and Laser Equipment," and an "Automated Line for Labeling, Assembling, Testing, and Packing Disposable Hypodermic Syringes."

"Transport, Agricultural, and Construction Equipment" Complex

Main products	Produced in first half of 1989, units	First half 1989 as percentage of first half 1988
Diesel-powered lift trucks	24,023	124.0
Combine harvesters	11,159	82.5
Articulated buses	129	80.6
Electric lift trucks	23,468	97.0
Electric hoists	68,366	106.4
Light automobiles	7,530	72.6
Special vehicles	748	74.5

The value of production output in the complex was 1,929 million leva, or 76 million leva higher than in the first half of 1988.

A total of 237 scientific development projects were completed and 190 were introduced into production. Almost 360 million leva of new and improved products were manufactured.

Priority was given to developing new structure-determining products, such as systems for applying electronics to agricultural machines and tractors, automatic conveying systems using robot trucks, and construction and road-building machines.

The following tasks specified in the state plan for mastering new technologies, products, and raw materials were not completed: the "ZBG-4.6 Road Roller With Grab," and "Indirectly Controlled Streetcars."

"Heavy Machine-Building" Complex

Main products	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Rolling mill rolls, tonnes	2,091	158.2
Electrodes for welding, welding on, and arc cutting, tonnes	11,193	103.0
High-voltage induction electric motors, units	41	105.1
Complete electric actuators with high-torque electric motors, units	21,056	101.1

The value of production output was 1,223 million leva, or 0.3 percent less than in the first half of 1988. Material expenditure per 100 leva of output (not including depreciation) fell by 1.4 percent.

A total of 509 scientific development projects were completed and 194 were introduced into production. New and improved products valued at 189 million leva were manufactured.

Production was not begun of complete miniature hydroelectric power plants and combined rotor-type machines with output capacities of 700 and 1,200 tonnes per hour.

"Metallurgy and Mineral Raw Materials" Complex

Main products	Produced in first half of 1989, thousand tonnes	First half 1989 as percentage of first half 1988
Steel in blocks, light blooms, and slabs	1,460	100.6
Cast iron for processing	744	96.9
Rolled ferrous metals	1,529	91.7
Thin cold-rolled strip	307	87.4
Steel pipes	140	107.1

The economic organizations in the complex produced output valued at 1,781 million leva, the same level as last year.

The complex underfulfilled by 5.3 percent the plan for production of new and improved products. The production of centrifugally cast iron rolls was not started.

Prime cost per 100 leva of output rose by 2.4 percent, and material expenditure (not including depreciation) increased by 0.2 percent.

"Energy Industry" Complex

Main types of products	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Electric power, million kilowatt-hours:	22	98.8
including from the complex	20	98.8
Coal, total production, thousand tonnes	17,561	94.7
Coal, washed production, thousand tonnes	16,776	94.6
Lignite briquettes, thousand tonnes	714	101.1

Electricity supplies to the national economy were normal during the half-year period.

Material expenditure per 100 leva of output (not including depreciation) fell by 0.4 percent.

"Construction and Building Industry" Complex

During the half-year period capital investments valued at 3.6 billion leva were assimilated, 3.8 percent more than in the same period last year. Of these, 25 percent were for construction of structure-determining projects, and over 40 percent for machines, equipment, and tools.

Basic funds valued at 1.8 billion leva were brought into operation before the end of the half-year period, 4.7 percent less than in the same period last year.

During the half-year period a number of investors failed to take the necessary measures to bring their capital investment plans into line with the sources for financing the plans, and failed to ensure the necessary concentration and priority allocation of investments to installations due to be commissioned in 1989. This led to the dissipation of construction resources over a large number of projects and to an increase in the amount of uncompleted construction.

The construction and installation organizations of all the complexes completed construction work valued at 2.4 billion leva using their own resources, which was 0.3 percent more than in the first half of 1988. The annual plan was fulfilled by 48.4 percent.

The production output from the companies and other economic organizations in the "Construction and Building Industry" Complex amounted to 2.3 billion leva. The production of certain main types of construction materials were as follows:

Main materials	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Cement, thousand tonnes	2,571	93.9
Bricks, million units	486	97.6
Roof and ridge tiles, million units	19	69.1
Water- and moisture-proofing materials, thousand square meters	5,016	85.2
Extruded panels, thousand square meters	196	176.6

The complex failed to fulfill the state order for production of bricks, roof and ridge tiles, and cement. The state orders for bricks and roof and ridge tiles for the commodity fund were not fully taken up.

"Industry for Man" Complex

Main products	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Cotton fabrics, thousand meters	180,283	100.9
Silk fabrics, thousand meters	20,555	103.8

Main products	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Knitted outerwear, thousand units	27,356	106.6
Knitted underwear, thousand units	38,400	101.8
Tailored goods, thousand leva	363,016	109.8
Stockings and pantyhose, thousand pairs	41,473	113.9
Footwear (not including indoor footwear), thousand pairs	14,065	107.7
Electric water heaters, units	70,790	89.9
Electric radiators, units	30,188	91.2
Washing machines, total, units:	93,891	104.4
including automatic machines	31,403	107.3
Domestic porcelain, thousand leva	20,203	104.1
Ceramic tiles, thousand units	131,965	84.0
Furniture, thousand leva	193,141	104.3

The production output of the complex was 127 million leva higher than in the first half of 1988, and the complex supplied 13.4 percent of the total increase in national production. Almost 1.7 billion leva of goods were supplied to the domestic market, representing a rise of 11.5 percent.

A total of 413 scientific development projects were completed and 931 were introduced into production.

The output of new and improved products amounted to 302 million leva, representing 10.5 percent of the volume of industrial goods output. The range of products manufactured was diversified with new types of cotton and silk fabrics, tailored goods, and fashion yarns.

Compared to the first half of 1988, prime cost per 100 leva of output fell by 2.6 percent, and material expenditure (not including depreciation) by 4.5 percent.

The following tasks set by the state plan for production of new technologies, products, and raw materials were not fulfilled: a "New Model of the 'Predima' Spinning Machine," and "Electric Cooking Stoves With Automatic Hotplates."

The plan for the half-year was not fulfilled for production of woolen fabrics, knitted outerwear, knitted underwear, domestic porcelain, and electric radiators.

"Agro-Industrial" Complex

The agricultural organizations and enterprises of the "National Agro-Industrial Union" Association produced from all their activities 1.9 percent more output than in the first half of 1988. The value of production from plant growing was 290 million leva, or 9.7 percent higher. Output from animal farming fell by 2.5 percent, the greatest decreases occurring in Varna Oblast (8.4 percent) and Lovech Oblast (6.8 percent).

The agricultural organizations and enterprises sowed smaller areas with corn, soya, sunflowers, and tobacco than in 1988, but the areas sown with beans and tomatoes were greater.

The agricultural crops are developing comparatively well and, despite the smaller areas sown, higher yields and a richer harvest are expected for some crops.

Up to 30 June, greater quantities of the following crops were collected than in the first half of 1988: 10,300 tonnes more vegetables, including 9,000 tonnes of tomatoes and 1,000 tonnes of green peppers; 8,500 tonnes more early potatoes; and 28,700 tonnes more early fruit, including 13,400 tonnes of cherries, 2,200 tonnes of apricots, and 1,100 tonnes of peaches.

On 1 July 1989, the numbers of head of animals in the agricultural organizations were as follows:

	On 1 Jul 89, thousand head	Numbers on 1 Jul 89 as percentage of figures on 1 Jul 88
Cattle,	1,293	97.3
including cows	476	99.6
Pigs	3,047	101.1
Sheep	6,191	96.5
Poultry	30,888	95.6

The average milk yield per cow fell by 75 liters. Milk production was 39.6 million liters, 3.9 percent less than in the same period of 1988. The average egg yield per hen fell by 4 eggs, and egg production fell by 7.1 percent.

The figures for cattle and poultry purchases from all categories of farms rose by 2,200 thousand tonnes, or 0.8 percent, as compared with the first half of 1988. The increase was achieved from private smallholdings, from which 6,500 tonnes more meat was purchased, a rise of 6.8 percent. The amount of beef and poultry purchased from the agricultural organizations fell by 4,300 tonnes, or 2.2 percent, and egg purchases fell by 54.1 million, or 5.6 percent. However, 5.0 percent more milk was purchased from private smallholdings.

During the half-year period, 13.5 percent more vegetables, including 67.6 percent more tomatoes, were purchased, and fruit purchases increased by 110 percent.

The degree of fulfillment of the annual state orders for the centralized funds were as follows: for cattle and poultry, 59.2 percent (63.6 percent for poultry alone); and for milk, 68.7 percent. The highest figures for

fulfillment of state orders for cattle and poultry were achieved in Varna and Khaskovo Oblasts, and for milk in Plovdiv and Khaskovo Oblasts.

The enterprises of the food and tobacco industries in the "Agro-Industrial" Complex produced output valued at over 5.6 billion leva, 126 million leva more than in the first half of 1988.

Main products	Produced in first half of 1989, thousand tonnes	First half 1989 as percentage of first half 1988
Meat	281	104.5
Meat products	69	106.0
Dairy fats and butter	12	90.4
White cheese	68	96.3
Yellow cheese	20	101.0
Edible vegetable oils	77	99.6
Flour	599	97.4
Rice	12	69.0
Sugar	235	115.5
Canned and bottled fruit	114	115.6
Prepared and semi-prepared foods	49	113.7
Sugar products	57	101.9
Children's foods	13	101.1
Animal feed mixes	2,166	101.1

Prime cost per 100 leva of output fell in the food and tobacco industry by 0.2 percent, while material expenditure decreased by 0.5 percent.

The production output of the "Bulgartabak," "Dairy Industry," and "Agricultural Mechanization and Technical Services" enterprises was lower than in the first 6 months of last year.

The state orders for the commodity fund were not fully taken up for the production of meat, milk, dairy fats and butter, yellow cheese, sterilized canned and bottled vegetables, compotes, and children's foods.

"Forest Industry" Complex

Main products	Produced in first half of 1989	First half 1989 as percentage of first half 1988
Softwood materials, thousand cubic meters	560	106.3
Hardwood materials, thousand cubic meters	918	96.2
Softwood boards and components, thousand cubic meters	356	99.4
Hardwood boards and components, thousand cubic meters	81	93.8
Chipboards, thousand cubic meters	153	93.9
Paper, thousand tonnes	194	95.9
Sanitary and health products, tonnes	11,462	118.5

Production output amounted to 719 million leva. Compared with the first half of 1988, aggregate profit and profitability rose, while prime cost and material expenditure per 100 leva of output fell.

Output from the "Stara Planina" and "Pulp and Paper" enterprises was lower than in the same period of 1988. There are lags in the fulfillment of the 6-month plan for certain types of products, such as wood pulp, paper bags, and sanitary and health products.

"Transportation" Complex

The economic organizations of the complex overfulfilled their 6-month plans in respect of the main economic indicators. Their production output was 0.9 percent higher than in the first half of 1988, while net output rose by 1.2 percent, and social labor productivity by 3.2 percent.

During the first 6 months of 1989, 216.7 million tonnes of freight was carried, 1.3 percent less than in the first half of 1988, and 49.6 percent of the annual plan was fulfilled.

	Freight carried in first half of 1989, thousand tonnes	First half 1989 as percentage of first half 1988
Railroad transport	40,233	98.5
Public road transport	161,875	98.1
Sea transport	12,841	111.7
River transport	1,693	83.6
Air transport	11	83.2

A total of 1,017.2 million passengers were carried, a fall of 3.7 percent as compared with the first half of 1988.

In railroad transport, efforts were directed toward developing and introducing technologies for automating traffic control, as well as systems for rail traffic safety.

"Communications" Complex

The revenue obtained in the complex from communication services rose by 6.4 percent over the first half of 1988. Social labor productivity increased by 8.7 percent. The postal network was extended by the addition of 15 new post offices, 13 of which were in rural areas. A total of 66,437 new telephones were installed, 56,181 of which were for domestic use. In addition, 3 radio relay stations and 21 television relay stations entered service.

There was an expansion in activity in the data transmission network, and 124 phone card public telephones were installed and are now in operation in large towns and resort centers on the Black Sea coast.

III. Meeting the Population's Requirements for Goods, Services, and Housing

Goods output by local industry amounted to 8,214 million leva, and was 11.1 percent higher than in the same period last year. The output of food products rose by 8.3 percent, and of nonfood products by 13.3 percent.

However, on 30 June the goods producers in their annual plans were still falling short of the state plan target by 782 million leva, and the rate of growth was about 5 percentage points lower than that envisaged for the year.

The quantities of main goods supplied to the domestic market were as follows:

Main goods	Goods provided in first half of 1989	First half 1989 as percentage of first half 1988
Meat (not including poultry), thousand tonnes	185.3	110.8
Poultry meat, thousand tonnes	50.1	106.7
Milk, thousand liters	302.1	100.8
White cheese, thousand tonnes	38.0	101.2
Yellow cheese, thousand tonnes	12.9	98.3
Butter	10.4	97.8
Eggs, millions	495.3	103.8
Edible vegetable oils, thousand tonnes [as published]	57.6	97.3
Sugar, thousand tonnes	99.2	100.9
Sugar products, thousand tonnes	59.0	101.6
Fresh vegetables, thousand tonnes	65.9	124.7
Fresh fruit, thousand tonnes	15.1	177.3
Children's foods, thousand tonnes	11.3	100.3
Soft drinks, million liters	330.4	104.1
Cotton fabrics, million meters	35.4	109.9
Woolen fabrics, million meters	6.5	104.6
Silk fabrics, million meters	5.8	117.5
Tailored clothing, million leva	315.9	113.1
Knitted outerwear, total, million articles	23.6	96.9
Knitted outerwear, children's, million articles	14.8	108.8
Knitted underwear, children's, million articles	14.8	101.0
Footwear (not including indoor footwear), million pairs	13.0	106.0
Stockings and pantyhose, million pairs	40.9	106.9
Furniture, million leva	193.3	110.3
Washing machines, thousand units	92.1	107.8

The number of persons producing goods and supplying services to the population under the terms of Council of Ministers Decree No. 35 rose by 25,000, as compared with the 1988 figure, and reached 69,855. Of these, 21,945 were engaged in the manufacture of industrial products and the supply of industrial services, 23,930 were performing construction, project design, and other services, and 23,980 citizens were employed in providing taxi services.

Despite the increase in the commodity fund, a number of goods were not available in sufficient quantities to meet the needs of the population. Lesser quantities of the following foods and goods were supplied than in the first 6 months of 1988: yellow cheese, butter and edible vegetable oils, pasta products, fish and fish products, lard, fruit juices and nectars, cereal-, fruit-, and vegetable-based children's foods, poppy seed for bread, bicarbonate of soda, children's, teenagers', and schoolchildren's woolen clothing, ladies' and men's cotton clothing, knitted outerwear, indoor and children's footwear, cooking stoves, domestic refrigerators, electric water heaters, flat glass, nails, roof and ridge tiles, mesh fencing, barbed wire, porcelain tiles, wallpaper, and other items.

Retail goods turnover (at current prices), including public catering, was 572 million leva higher than in the first half of 1988. Rises in retail trade goods turnover were achieved in all the oblasts.

The value of everyday consumer services carried out rose by 27 million leva over the figure for the first half of last year.

The rises in the main types of services were as follows:

	First half 1989 as percentage of first half 1988
Metal-cutting and machining services	104.1
Construction and repair services	119.9
Motor vehicle maintenance and repair	108.0

	First half 1989 as percentage of first half 1988
Elevator maintenance and repair	107.6
Maintenance and repair of consumer equipment	100.7
Optical services	107.2
Dry cleaning	105.2
Laundry	103.2
Footwear, leather, haberdashery services	102.2
Photographic services	109.4

Fewer of the following services were provided than in the first half of 1988: furniture and woodworking services, 1.5 percent less; radio and television maintenance and repair, 6.1 percent less; textile and knitwear services, 2.6 percent less; tailoring and dressmaking, 2.1 percent less; and cosmetic services, 7.4 percent less.

More services were provided to the population in all the oblasts than in the first 6 months of 1988, the greatest rises being recorded in Sofia City (11.8 percent), Razgrad Oblast (11.0 percent), and Mikhaylovgrad Oblast (8.9 percent)

The fulfillment of the housing program is falling behind. A total of 14,087 apartments were completed and handed over to the population, and 20 percent of the annual plan was fulfilled. The lowest levels of fulfillment were in Mikhaylovgrad Oblast (10.5 percent), Razgrad Oblast (11.6 percent), and Sofia Oblast (15.3 percent).

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The results achieved in the half-year form a good basis for fulfilling the tasks set by the Uniform Plan for Bulgaria's Socioeconomic Development in 1989.

What is needed now is a high level of organization, discipline, flexible coordination, and efficient utilization of the material and labor resources for the production of additional goods from agriculture, industry, and the other branches of the economy, in order to overfulfill the plan and thus mark in a worthy manner the 45th anniversary of the victory of the 9 September Socialist Revolution.

Tank Regiment Begins Dismantling in South Bohemia

LD0108141889 Prague CTK in English 1343 GMT 1 Aug 89

[Text] Ceske Budejovice, South Bohemia, Aug 1 (CTK)—Gradual dismantling of a tank regiment of the Czechoslovak People's Army started here Tuesday. On the basis of a statement of the Council of State defence, the regiment will be excluded from the Army combat forces as from August 1.

The tanks will be liquidated, the material will be stored and the troops will be transferred either to the reserve forces or the newly set up Army building units.

The liquidation of the regiment is a contribution to the creation of a zone of confidence, cooperation and good neighbourly relations on the line of contact between the Warsaw Treaty and NATO states.

The barracks will be at the disposal of the newly set up building units of the Army.

Further Reports, Comment on 'Sentences' Appeal

Dissociations Continue

AU0108124289 Bratislava PRAVDA in Slovak 31 Jul 89 p 1

[Statement by Engineer Architect Viktor Tucek, meritorious artist: "Dirty Methods"]

[Text] On Thursday, 27 July, during a meeting at the Czech Architects' Association, some participants drew my attention to the fact that among the names of alleged signatories of the hostile appeal "A Few Sentences," the Voice of America mentioned my name.

After my return home I read in RUDE PRAVO the protest of Comrade Engineer Kiml, director of the Konstruktiva State Enterprise, whose name, too, has been defamed by a Western broadcasting station.

It is downright repulsive that the agencies misuse the names of well-known people in leading positions who condemn the appeal and who would never sign such a hostile pamphlet.

This is why I, too, protest in principle against the publication of my name and hope that this statement of mine will help expose the dirty methods used by our enemies.

Sergeant Denies Signing

AU0108094189 Prague RUDE PRAVO in Czech 29 Jul 89 p 1

[Statement by Jaromir Racek, sergeant in the National Security Corps, Pardubice: "Nor Did I Sign"]

[Text] I did not suspect, when I read Thursday's [27 July] RUDE PRAVO, that I would also be on the list of signatories of the "Few Sentences" appeal, without having signed anything. When I found out about my "signature" I was shocked. Thus, I became convinced at firsthand that just like Radio Free Europe, its domestic partners, those who shout the most and clamor for the necessity of ending alleged manipulation, have also acquired the habit of manipulating facts. Lies, lies, and more lies belong to their arsenal as, incidentally, they have confirmed in my case.

In one of its broadcasts Radio Free Europe even claimed that it has at its disposal up to 50 signatures of members of the National Security Corps—of course, without verified names. Why? Because such names do not exist, and if they were to publish these names, then, as in my case, it will be proved that this is pure fabrication.

I think that in a number of cases, just as in mine, signatures are put at the bottom of the appeal. Sometimes they are even acquired by applying deliberate pressure. This particularly concerns some of our artists. Therefore, I think that everyone who realizes that he has been manipulated should find in himself enough integrity and should openly admit that, next time, he does not want to have anything to do with similar practices.

Press Provides Background

AU0108095489 Prague RUDE PRAVO in Czech 29 Jul 89 p 3

[Article by Arnost Bak, Marie Boudova, and Jaroslav Kojzar: "To Whom Are We Supposed To Give Back the State?; What It Is They Want"]

[Text] "I believe that, like myself, the majority of those who signed do not wish a return to capitalism, but they cannot reconcile themselves with shortcomings...," wrote Kveta Vogurkova of Litomerice to us a few days ago. In a sincere letter she is trying to present reasons which led the known and unknown signatories of the "A Few Sentences" appeal to sign it.

Yes, there are many things that are hurting us, and therefore we have embarked upon the path of restructuring our economic mechanism and social system in general. The model of socialism to date has shown itself to be a factor retarding development. What once corresponded to the conditions of the postwar period and to the transition from capitalist to socialist production relations has become outdated. The leveling of wages, unnecessary barriers to the upsurge of initiative, and a jungle of regulations to tie people's hands have become

an obstacle on the faster road forward. We were advancing, but not with the mile-long strides which the full development of modern scientific and technological knowledge and the unrestrained activity of people would make possible. We have said all this and we have drawn conclusions from all this. This is the reason why we have decided to comprehensively restructure the economic mechanism.

It is sufficiently known that we have speeded up our plans, and the new system will go into effect as early as 1 January next year. It will not be a magic wand to immediately cure all ills. However, it will be the foundation which will make it possible to gradually establish new relations in both the economy and the remaining spheres of life. How fast we comprehend and implement the new conditions really depends on each one of us. For not everyone will be capable of implementing them. There is no need to conceal the fact that there will also be attempts to hold things back. At the same time, some people will show signs of impatience and, instead of proceeding consistently and in a premediated manner, they will demand that development processes be accelerated, regardless of our realistic possibilities. They might not even realize how close they are to those who wish developments to slip out of any control and proceed not toward the further development of socialism, but toward weakening and destroying it. They are concealing this position of theirs behind attractive slogans and generally democratic statements, behind which there often hides a poisonous sting. Up to this point, some of the signatories of the "A Few Sentences" appeal can be understood.

However, the appeal itself is a premediated act in which the important part is not so much what it asserts, but the attempt to herd together—under the leadership of forces hostile to this system—the largest possible number of people of various professions, ages, and interests. Should this plan succeed—and in this the authors have the all-around support of foreign mass information media—the generally formulated slogans would rapidly acquire a concrete meaning.

The First Step

Thus, the first step should be the seven-point appeal. In the commentaries Who Sows the Wind (30 June) and What Do They Have Up Their Sleeves (1 July) we wrote about the purpose of this appeal. In the commentaries we acquainted our readers with the main thoughts of that piece of writing. In the days that followed we also returned to some of the demands contained in the appeal. We voiced our standpoints on the demand to "immediately release all political prisoners," on the "restriction" of the freedom of assembly, on "respecting the legitimate demands of all believers," on projects that change the living environment and "submitting them for a comprehensive assessment to experts and the public," on "free" discussion not only about the 1950's, but also about the "Prague spring."

In other points of the appeal, as is known, its authors want their activity legalized, the "charter" and all its offshoots recognized, they want the establishment of so-called independent trade unions, unions, and associations, that is, they want to break up the united trade union and youth organizations, and to assert their influence in factories and in respect of education.

And, finally, they want to have their "information media" legalized, that is, the printed matter often published with technical and ideological assistance from foreign radio stations and the NATO countries' instruments of propaganda. They oppose "censorship"; although they know that censorship in our country for both the information media and book publishing does not exist (RUDE PRAVO interview with Engineer Z. Cermak, chairman of the Federal Press and Information Bureau on 12 April); they are striving to make the implementation of the rights of publishers, those who run publications [provozovatele], and editors more difficult by curtailing their powers under the mantle of "dropping all forms of political manipulation," and so forth.

If their aforementioned demands are not complied with, if the government does not address them (however, they did not present them to the government, but they did hand them over to Radio Free Europe), then allegedly a crisis will break out. Who, however, is going to trigger the crisis if not the authors of the appeal themselves, or other "chartists" and unauthorized groups? They assert that they do not want this crisis. But how are we to understand this when they are using it as a threat and issuing ultimatums? In several letters, signatories of the "A Few Sentences" appeal themselves wrote to us to tell us that they had signed their names "only" under the generally valid ideas. But did they really read what they signed? Is it a coincidence that some of them are so vehemently calling for the appeal to be published?

Allegedly, they do not want to endanger the socialist system; what they are after is the rectification of mistakes so that we can get into full swing everywhere. Are things really like that? No, they are not. After all, the decisive thing is what direction developments have to take. For example, commentaries broadcast by Western radio stations have been giving us Hungary, Poland, and, in particular, Solidarity as examples. They are asking us to conduct a dialogue, but they do not want to discuss matters. They are foisting upon us approaches which have always been alien to us. They are condemning everything around us, they do not find anything good in our preceding development. They remain deaf to the facts.

Thus, the appeal becomes camouflage, an attempt to entice under one banner all those who are not only rightly dissatisfied with something and those who are impatient, but also all the gamblers, all those who had been wronged, the politically immature, and the genuine enemies of socialism, those who would like to return to

the pre-Munich state of affairs. This is the truth and it cannot be obscured in any way. The "A Few Sentences" appeal should be followed by further steps, and one of these days—and these are also their plans—they would proclaim their real program without any dissimulation. Then, however, it would be too late to withdraw their signatures....

Liberation From Socialism

V. Havel, who identifies with the authorship of the "A Few Sentences" appeal and is one of its first signatories, in an article entitled The Codename Socialism, published in issue number 85 of the emigree periodical SVEDECTVI, indeed declares that socialism "is nothing but a thoroughly mendacious codename.... Therefore, I propose to continue to avoid the word socialism." What a fine nuance is contained in the words of Z. Brzezinski, one of the chief ideologists of anticommunism and former adviser of U.S. President Carter, when he said openly and with a considerable dose of cynicism in an interview with the BBC last June: "... the Czechoslovak Stalinist (?) regime is on its last legs and...it is a question of a few months, perhaps of a year, before great political changes also occur in Czechoslovakia, and Czechoslovakia too will embark upon the same path as Hungary and Poland... Marxism is dead. At the beginning of the next century, Communism might no longer exist."

But how is one to proceed to get communism on the "trash heap of history"? W.H. Luers, former U.S. ambassador to the CSSR and expert on Czechoslovak affairs, said the following on this subject in the FOREIGN AFFAIRS journal: "The United States should more energetically fan the various nationalistic instincts in the GDR, Poland, and Czechoslovakia."

However, an immediate strike is more effective: "We demand that international sanctions be imposed on the Czechoslovak communist regime...," stated the so-called Council for Free Czechoslovakia, funded by the United States, in this connection in January 1989. Pressure has to be exerted on the CSSR. One of the forms is "to block the CSSR's efforts to reach an agreement with the EEC," the London daily THE INDEPENDENT proposed in November last year. Or even, as the BBC asserted on 17 November 1988, "representatives of independent initiatives demand that the United States should not grant Czechoslovakia the most-favored-nation status in mutual trade as long as the attitude of the Czechoslovak Government toward human rights does not improve," that is, as long as the activity of "Charters'" leading officials is not permitted. There were also other proposals to impose sanctions, and many really were imposed on us, including loans under the worst possible conditions, bans on exports of this or that equipment or machinery, a several-fold increase in customs duties on our products compared with other exporters, and so on.

And at home? What notion of the "systemic changes" mentioned in the "A Few Sentences" appeal is held by those officials of the unauthorized structures who have close personal as well as financial connections with the West? For example, in the Democracy for All manifesto of September 1988, signed by almost all the most active "chartists" and also some of the signatories of the "A Few Sentences" appeal, they appeal to all citizens of our country to embark upon the path toward democracy of the bourgeois, pre-Munich type, in ways which they themselves deem to be most suitable. Only in this do they see the future of Czechoslovakia. But what would these ways be? The pen or violence, a spoken word or murders, an article published under samizdat or terror? According to a BBC report of August 1987, Vaclav Benda, a prominent Catholic activist and former "charter" spokesman, sees those ways as raising the "sign of the cross" and launching a "direct attack on the capital." (?) Christ's cross, with which he identifies, which religious teaching sees as the symbol of Christian love, is for him the sign of a battle. Thus, he is becoming one of those who call for confrontation in the streets even today. In its leaflet this year a sort of "Democratic Union Against the CPCZ [Czechoslovak Communist Party]" threatens: "No, we will not immolate ourselves, but we will begin burning you! Stakes will be put up along the whole of Wenceslas Square and you will end on them!" Last spring, an organization which calls itself "Bohemian North" sent the media a threat full of hatred and killing. In this category belong letters full of threats and hatred. We wrote about some of them, which were composed as a direct consequence of the policy of confrontation, in RUDE PRAVO this year. How do these attitudes correspond with the words about tolerance from the "A Few Sentences" appeal?

Ways to bring about systemmic changes, to change a system, might vary. Not all can be compressed into the appeal from the Democracy for All manifesto. That these are not empty threats is also attested to by the explosions near important buildings in Ceske Budejovice, Pelhrimov, Usti nad Labem, and in other places, where—only by a miracle—no lives were lost; by the group of arsonists exposed in the Litomerice area, from which threads also lead to the illegal structures; by instances of economic crime with a clear objective to harm the socialist system.

A Democratic Republic

"They gave back the national day, when will they return the state?" With this suggestive question Tigrid and Grusa's SVEDECTVI commented on the proclamation of 28 October as the National Day. Return, to whom? To the Children of Bohemia, who favor monarchy? The fascist Bohemian North group? The Ludakists [ludaci] who admire Tiso to this day, and their affiliated souls grouped around the periodical SLOVENSKE SPRAVY which is published in Munich? To Tigrid who has connections with the CIA? To the Havels, Sabatas, and Hrubys, so that they can take over the property of their forebears?

And who is to return this state to those people? Here matters are clear. Communists and non-Communists, people who stand by the positions of socialism, members of the National Front organizations, deputies and functionaries of the national and civic committees and their commissions, who have the credit for laying thousands of kilometers of water pipes, setting up hundreds of sales outlets in localities, or dozens of kindergartens. Those who inherited a state in ruins and selflessly built it up, those who are exerting all their energy for its development, for the country's wealth and prosperity.

They call themselves "society." They pretend to speak for everybody. They are arrogating to themselves rights that they do not have. The rights of tribunes. And at the same time they give reasons why they are not these tribunes, and even cannot be....

"The majority of the population has assumed a wait-and-see attitude and is indifferent. The opposition has not yet formed itself as a political force ...." (Jiri Hajek in an interview with the REUTER news agency on 18 May this year)... "We cannot move among ordinary people. We are the elite... Many of the Charter 77 signatories simply do not know how to talk with normal people..." (Jan Urban, former "charter" spokesman, in an interview with the American magazine UNSUBJUGATED MINDS in the first half of 1988.)

However, they have their programs which by some of its generally democratic theses—often repeating the objectives of the socialist state—can influence people who are politically less mature. They want "democracy for all." "Democracy as a system based on spiritual, political, and economic pluralism and mutual tolerance." "It is necessary to simplify and humanize also the social, housing, and—above all—the administrative law." "The reform of the economic system will require a thorough revision of the economic law...." In essence, it is possible to agree with each one of these points. But.... The purpose of their efforts is not to "improve" the existing system, and this was not the case in 1968 either, as they shamelessly assert, but to liquidate it, as was the case then and is the case also today. "In the given situation (note that formulation!) we could, naturally, do nothing but support Dubcek, while at the same time trying to push him forward as far as possible...," that is, in the direction of a capitalist system, as one of the KAN [Club of Committed Non-Party Members] co-founders and today Radio Free Europe commentator, Lansky, has affirmed.

And now? What are their objectives?

Above all, to draw up a new constitution, in which the CPCZ would not be enshrined as the leading force of society, and from which the term "socialism" would disappear. "As proponents of spiritual freedom we want to press for a situation in which no particular weltanschauung is placed by the state above other views and, therefore, a situation in which there is no support in the Constitution or laws for placing certain views above others," write the so-called members of the Movement for Civic Freedom in their manifesto, a sort of official platform of all forces hostile to socialism, which was signed last September. Their ideas are then taken over in one form or another by other unauthorized groups. Thus, what is involved is achieving a state in which antisocialist activity obtains a legal facade, so that the ideas of the Communists and other progressive citizens of our country regarding the building of a socially just state would not have the guarantee ensuring further socialist development.

What would be the direction of our state's development then? In the aforementioned manifesto, the signatories identify themselves with Masaryk's prewar republic and its ideals. Here, allegedly, is the "great and inspiring legacy on which it is possible to rely." Yes. We have already said many times that we value the work of T.G. Masaryk and those who worked with him despite the contradictoriness of the results of their political activity. But, was the First Republic really the republic of Masaryk alone? Do we not know how it ended? It was, above all—and there can be no doubt about it—a state in which the big bourgeoisie had the main say, beginning with Kramar, Svehla, Preiss, Bata, and ending with Stribrny and Beran. Many of them later even became Hitler's partners. For hundreds of thousands of workers all that that Republic had for them was vouchers for material handouts [zebracenky], unemployment, and gendarmes' rifles. This is not propaganda. Just a statement of the facts. This can be substantiated by thousands of facts at any time, as can the fact that in those days the wealthiest not only decided who was going to rule, but also the direction of the country's policy. And all this hand in hand with the then state leadership. The result was the end of the Republic's 20 years of existence, a dead end, into which the country was led by the then leading force of the country—the bourgeoisie and its political representatives.

The Path to Economic Prosperity?

There is, allegedly, only one path to economic prosperity—economic pluralism, because without it the "country's economy becomes backward and sick."

However, what is understood by that "economic pluralism"? In the aforementioned manifesto, its authors, in contrast to the other "programs" of unauthorized groups, in which pluralism is often stressed without any further explanation, reveals what it will be like.

"The full restoration of private entrepreneurship in the business sphere, trade, small and medium-size enterprises, part of agriculture, and culture is necessary.... Without the energetic participation of private citizens, small cooperatives, and small independent enterprises, it is impossible to ensure the provision of satisfactory services for the population, a good range of consumer goods, and to develop inventiveness." Our society, too,

is helping, and wants to continue to help to develop private trade-related production where it is necessary. However, there is a certain limit beyond which the exploitation of man by man begins. Thus, services are only the beginning. O. Sik, whom many of the authors of the "economic program" invoke, expressed this clearly in an interview with Austria Radio's first program on 21 April 1988, when he said: "By free entrepreneurship I mean the possibility to set up private enterprises on the initiative of private citizens...."

And what should be the set limit? Such a limit simply does not exist. Only large enterprises—according to Sik and others—should remain state enterprises, that is, those which are for the time being unprofitable for private investment, but without which the private sector cannot develop itself. As it comes up in other documents by similar economists, this involves enterprises such as those involved in railroad transportation and ensuring the supply of electricity, metallurgical works....

Thus, the first stage will be restoring "free enterprise," beginning with services including even the textile mills and glass works. However, in order to develop "initiative," it is necessary, as the manifesto also notes, to "generously support it by providing long-term credits, as well as tax concessions and, in the beginning, by providing material assistance."

This corresponds with the other plans of the unauthorized structures, with the next stage of their programmed course. Then, namely, it will be big industry's turn. As the manifesto states, big industry will be restructured "so that the viewpoint of profitability will not be subordinated to political viewpoints, such as artificially induced unemployment or preferences arising from unnatural international economic relations." Thus, it is not the turn of modernization, restructuring, the faster introduction of scientific-technical findings in production, and making cooperation within the CEMA framework more efficient, but unemployment and severing our existing economic ties.

What will still have to be done to do that? We have to convert, step by step, the entire society to a private basis. Therefore, it also will be necessary to break up the united trade unions and the united youth organization, gradually incorporate ourselves in the "global economy," introduce private schools as a medicine for resolving problems in the sphere of education, halt the construction of nuclear and hydroelectric power plants and wait for the "help" of the Western energy sources and the imports of their technologies, and transform our functioning cooperative agricultural system into family farms and the system of long-term leasing. Is this what all those who signed the "Few Sentences" appeal really want?

Hand in Hand

Without the permanent support from abroad, the various domestic opponents of the socialist system would have ceased to exist a long time ago. They are aware of that, and therefore to this day they are reproaching their American and other protectors for the lower level of activism with regard to dissidents in the middle of the 1970's. At that time, allegedly, the West "sold the idea of freedom for peaceful coexistence." Understandably, this is not an accurate analysis of the international relations of that time, but a somewhat different political and economic situation, including the signs of crisis in the capitalist economy, pushed the interests of dissidents into the background, or at least into the leeward side of the West's propaganda actions. The 1980's are different, however. Those various concepts of convergence and so forth have been pushed into the background and the new banner is called "human rights." At the same time, the only rights that are involved are the rights of those who want to bury socialism, the right to free antisocialist activity. Within a short span of time, more than 60 radio stations have begun broadcasting to Czechoslovakia, some of which give information about the plans of groups that are hostile to socialism, propagate their interests, and even—especially of late—act as the conveners of their actions. This was tellingly revealed last January. In the future they also want to proceed according to an identical scenario. After all, even Radio Free Europe admitted this tactic on 23 July this year, when it reacted to the exposure of the links between the authors of the "A Few Sentences" appeal and Western, especially American, radio stations and some other "free" information media.

This is why the chief organizers of the resistance have been regularly receiving financial injections of hundreds of thousands, why they have been receiving presents from abroad such as computers, videorecorders, duplicating machines, receivers able to monitor security forces' communications, and so forth. All this in the interest of inciting people, causing unrest, gradually penetrating the existing structures and, at the same time, eroding them.

The objective is clear. The bell must toll for socialism. Arguments have changed. At the end of the 1970's, socialist epithets predominated; what is openly involved today are systemic changes, changes to the system, political pluralism, that is, the return to the capitalist system. The fact that "freedom," "democracy," and "tolerance" still represent the magic formula does not matter.

Those who have been taken in by the authors of the "A Few Sentences" appeal did not know, or did not want to know, the contexts. And this is precisely what the initiators of the entire campaign have been counting on. However, the majority of our people are against such a gamble and will not permit the success of the fractionalist plans of those who are subverting the calm that is greatly needed to implement the tasks of restructuring.

Statement on Visit by Polish Solidarity Members
AU3107141589 Prague RUDE PRAVO in Czech 28 Jul 89 p 1

[Statement by Ludek Kapitola, member of the Czechoslovak Socialist Party Central Committee Presidium: "We Are Prepared To Hold Discussions"]

[Text] As a member of the Foreign Affairs Committee of the Federal Assembly People's Chamber, concerning the visit made by a group of members of the Polish Parliament who are also representatives of Solidarity, I hold the view that no one in our country prevents anyone from making private visits. Nor is anyone against the fact that, during such occasions, at their own discretion people may visit whomsoever they wish. Therefore, the meeting between the Polish deputies and representatives of the so-called Charter and other officials should also have remained a private matter. However, as soon as these meetings were given publicity in some foreign mass media—and in the Polish press—publicity even in the sense that, during the course of the talks, questions concerning our internal political development were discussed, then the whole affair was put into a completely different light. Therefore, in my judgment, it is fitting to characterize this visit and its course as interference in our internal affairs. Especially as this involved deputies, that is, representatives of the highest organ of state power. All this, of course, is neither in harmony with the friendly ties between our two fraternal countries nor with the spirit of the process which is aimed at mutual European understanding and cooperation. The deputies of our Federal Assembly are always prepared to hold discussions with their foreign colleagues on various issues, and these discussions are taking place. I think that it would not be out of place to meet with the Polish deputies and senators, and even with representatives of the opposition, on the platform of our legislative committees for an exchange of views on what we consider to be beneficial from the point of view of the interest of our people and our countries. I believe that the opinions and experiences of our deputies would be useful for our Polish colleagues.

Jakes Congratulates Rakowski on Election
AU0108151889 Bratislava PRAVDA in Slovak 31 Jul 89 p 1

[CTK report: "Comrade Milos Jakes' Congratulatory Telegram"]

[Text] Prague—Milos Jakes, general secretary of the Communist Party of Czechoslovakia Central Committee, has sent Mieczyslaw Rakowski a congratulatory telegram following his election to the post of first secretary of the Polish United Workers Party Central Committee. The telegram runs as follows:

Dear Comrade Rakowski,

Permit me, on behalf of the Communist Party of Czechoslovakia Central Committee, the Czechoslovak Communists, and on my own behalf to sincerely congratulate you on your election to the post of first secretary of the Polish United Workers Party Central Committee.

The Communist Party of Czechoslovakia highly esteems its traditionally comradely relations with the Polish United Workers Party, and is resolved to further develop them to the benefit of the people of both our countries. We sincerely wish the Polish Communists success in the task of socialist renewal which serves the Polish working class and all the working people of fraternal Poland. We will contribute to the implementation of the ideals of socialism, progress, and peace in the world by means of our mutual and comprehensive cooperation and by the exchange of experiences from the activity of both our parties.

Dear Comrade Rakowski, please accept our good wishes for many successes in your highly responsible work for the Polish United Workers Party, for socialist development, and for the prosperity of the Polish People's Republic.

Husak Congratulates Iran's Rafsanjani, Delamuraz
AU0208090689 Prague RUDE PRAVO in Czech 1 Aug 89 p 2

[CTK report in the "Receptions, Talks, Telegrams, Letters" column]

[Text] Prague—CSSR President Gustav Husak has sent a congratulatory telegram to 'Ali Akbar Hashemi-Rafsanjani on the occasion of the latter's being elected President of the Islamic Republic of Iran.

Prague—CSSR President Gustav Husak has sent a congratulatory telegram to Jean-Pascal Delamuraz, president of the Swiss Confederation, on the occasion of his country's National Day.

Husak Appoints New College Rectors in Slovakia
AU0208090489 Prague RUDE PRAVO in Czech 1 Aug 89 p 2

[Text] Bratislava (CTK)—At the proposal of the Government of the Slovak Socialist Republic [SSR], effective 1 August 1989, CSSR President Gustav Husak has appointed new rectors of the higher institutes of learning in the SSR: Prof Engineer Jan Garaj, Doctor of Sciences, as rector of the Slovak College of Technology in Bratislava; Prof Doctor of Natural Sciences Frantisek Zabransky, Candidate of Sciences, as rector of the Technology College in Kosice; Prof Doctor of Philosophy Ludovit Petransky, doctor of sciences, as rector of the Academy of Creative Arts in Bratislava.

Ludovit Kilar, SSR minister of education, youth, and physical training, presented decrees to the newly appointed rectors in Bratislava on Monday [31 July].

Czech Official Meets Siemens Representatives

AU3107154089 Prague RUDE PRAVO in Czech 28 Jul 89 p 7

[CTK Report in the "24 Hours Abroad" column]

[Text] During a working visit to the FRG, Miroslav Toman, first deputy premier of the Czech Socialist Republic, met in Munich with representatives of the Siemens company. Possibilities for the further development of economic cooperation and suggestions for new forms of contact were discussed.

Customs Duties Reduced on Some Imported Goods

AU0108170989 Bratislava PRAVDA in Slovak 29 Jul 89 p 2

[Unattributed report: "The CSSR Central Customs Administration Informs; Temporary Customs Alleviations"]

[Text] Prague—At a news conference yesterday [28 July], Lubomir Martincak, deputy general director of the CSSR Central Customs Administration, provided information on temporary customs alleviations concerning the import of some types of noncommercial goods, which will become effective on 1 August 1989.

The basis for fixing the customs duties for imported motor vehicles has been made uniform and reduced. Compared with the existing duty of Kcs12.50, Kcs15, and Kcs17.50 per cubic centimeter of engine volume, from now on the uniform charge will be Kcs10 per cubic centimeter. Motor vehicles from Czechoslovak affiliates will be exempt from customs duty, regardless of age and brand. The customs tariff on imported parts of motor vehicles is reduced from 50 to 20 percent of the domestic price. Personal computers and microcomputers, and their accessories and parts, remain exempt from customs duties. With imported color television sets, the existing reduced tariff remains valid (1 diagonal centimeter of the screen is assessed at Kcs150, the customs tariff is 20 percent).

The basis for fixing the customs duty for imported videorecorders is amended as follows: the price per unit will be set at Kcs10,000 (instead of Kcs15,000), and the customs tariff remains 15 percent.

Regarding videoplayers, the value of one unit will be set at Kcs4,000 (instead of Kcs9,000). Also, the customs duty reduction for videocameras from 30 to 15 percent remains. The 50-percent customs duty reduction for audio and reproduction equipment also remains in effect. Here, the price of each compact-disc player is set at Kcs3,000 (previously Kcs5,000). The customs tariff for imported television antennas for satellite reception and their parts is reduced from 30 to 15 percent of the domestic retail price. Regarding the remaining goods not explicitly mentioned in the customs tariffs' handbook for noncommerical goods—this concerns, in particular, the remaining industrial goods, garments, and footwear—the customs duties are reduced from 30 to 20 percent of their price.

Lubomir Martincak stressed that the aforementioned changes constitute the extension of the already valid reductions in customs duties that were introduced in November 1988 in accordance with the CSSR Government's policy statement. At the same time, they constitute the extension of the reductions to cover a wider scale of goods. The decree provides customs alleviations until 31 December 1991.

Those who are interested can obtain more detailed information at all Czechoslovak customs offices.

Honecker Congratulates Rakowski on Election
AU0208084189 East Berlin NEUES DEUTSCHLAND in German 31 Jul 89 p 1

[ND report: "Cordial Congratulations From Erich Honecker on Election"]

[Text] Berlin (ND)—Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED] and chairman of the GDR State Council, has addressed the following greetings telegram to Mieczyslaw Rakowski, first secretary of the Central Committee of the Polish United Workers Party [PZPR]:

Esteemed Comrade Mieczyslaw Rakowski,

On the occasion of your election as first secretary of the PZPR Central Committee, I convey to you cordial congratulations and fraternal militant greetings on behalf of the SED Central Committee and on my own behalf.

Rest assured that the SED, as a loyal friend and reliable fellow fighter of the PZPR, will continue to work with all its strength to further strengthen the firm alliance and universal cooperation between our two socialist neighboring countries and peoples, in the interest of peace and socialism.

We wish you, dear Comrade Miecyzslaw Rakowski, much success, creative vigor, and the best of health in your responsible function.

With socialist greetings,
Erich Honecker,
General secretary of the SED Central Committee and chairman of the GDR State Council.

Honecker Congratulates New Iranian President
AU0208075789 East Berlin NEUES DEUTSCHLAND in German 31 Jul 89 p 1

[ND report: "Congratulations to Tehran; Telegram From Erich Honecker to 'Ali Akbar Hashemi-Rafsanjani"]

[Text] Berlin (ND)—Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED], has conveyed the following greetings by telegram to Hojjat ol-Eslam 'Ali Akbar Hashemi-Rafsanjani:

I convey to you congratulations on your election as president of the Islamic Republic of Iran.

I am convinced that bilateral relations will be further deepened in the interest of joint activities to safeguard world peace and to benefit both states and peoples.

I wish you, Excellency, the best health and creative vigor in your responsible office.

Erich Honecker,
General secretary of the SED Central Committee and chairman of the GDR State Council

First Half of 1989 Plan Fulfillment Reported
AU2807060189 East Berlin NEUES DEUTSCHLAND in German 20 Jul pp 3-5

[Report of the State Central Administration for Statistics on the Implementation of the 1989 National Economic Plan During the First Half of the Year"]

[Text] During the first half of 1989 the workers class, the cooperative peasants, and the citizens of all classes and strata in town and countryside achieved—with creative energy and initiative-rich work—high performances to implement the decisions of the 11th Congress of the Socialist Unity Party of Germany [SED] for the benefit of the people and for peace. Proceeding from the basic guideline in the programmatic speech at the seventh SED Central Committee session by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State council, a big popular movement for the worthy preparation of the 12th SED Congress developed.

In the 40th year of its existence the GDR presents itself as a modern socialist state on German soil, which is developing in a politically stable way, with great economic dynamism, and a continuing performance growth in all fields of social life. Under the leadership of the SED, the developed socialist society in the colors of the GDR has been further shaped as a process of continuity and renewal.

During the first half of 1989 the national economic development on the path of comprehensive intensification was characterized by dynamism, stability, increasing efficiency, and quality. On this basis, the tested course of the unity of economic and social policy as the core of the economic strategy for the welfare of the people has been successfully continued. The national economic growth is again completely based on increased labor productivity. Month after month the achievements were expanded and a remarkable plan lead was accomplished in important fields. The widespread application of the key technologies, in particular of microelectronics, essentially contributed to this. The interlacing of science and production is proving to be indispensable for economic and social progress.

In the socialist competition, which is led by the trade unions, the working people are directing their initiatives toward increasing their own contribution to the highest possible available national income, toward fulfilling all aspects of the 1989 national economic plan on every working day, and purposefully overfulfilling in product-specific aspects.

A guarantee for mastering the demanding tasks is the comprehensive inclusion of the working people in the management and planning of the social processes. At the

local elections on 7 May 1989 the GDR citizens convincingly voted for their socialist state and the continuation of the tested course of the unity of economic and social policy. The result of the local elections is proof of the secure prospects of our worker-peasant state and of the willingness of the citizens of all classes and strata to participate in working, planning, and governing. On 7 May 1989, 205,271 deputies and 68,189 follow-up candidates were elected in a total of 7,789 local elected assemblies. Of the deputies 52.6 percent are workers, 40.2 percent are women, and 15.0 percent are young people under 25.

The Whitsun meeting of the Free German Youth [FDJ] was a powerful demonstration of the affinity of the young generation with the party's policy and their socialist fatherland, a dedicated pledge to peace, friendship among peoples, and anti-imperialist solidarity, an unforgettable festival of the joy of life. Of great importance for the further strengthening of the national economic capacity are the economic initiatives of the young people in the "FDJ Call GDR 40," in particular those of the more than 40,000 youth brigades and 5,000 youth research collectives of the FDJ.

Close teamwork between the local state organs and the enterprises, cooperatives, and institutions contributed to the higher performance growth in the regions and further improved the citizens' living and working conditions. Impressive results in making residential areas more attractive were achieved by the citizens in the "Beautify our towns and villages—Join in!" movement. Much was done in the towns and villages to protect nature and the environment.

The rockburst in the Werra area gave rise to much sympathy and solidarity with the affected citizens on the part of the GDR's citizens. Great efforts were made to overcome the damage caused by the rockburst, to solve the housing problems of the affected citizens, and to restore vital public facilities in the villages.

The reliably operating, efficient, and flexible system of socialist management, planning, and economic cost accounting is being steadily perfected in line with the requirements of intensively expanded reproduction. The testing of the principle of comprehensive self-financing of intensively expanded reproduction was successfully continued in 16 combines.

The increasing economic capacity as a solid foundation for a rising standard of living, social security, full employment, a high standard of education, and free health care was used for further social progress. As the core of social policy, the housing program is being speedily implemented. The climate of social security and protection of the citizens also includes stable consumer prices for basic consumer goods, for rents, rates, and services.

Economic and scientific-technical cooperation with the USSR and the other CEMA countries was further deepened. In implementation of the agreements made at the working meeting between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Mikhail Gorbachev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet, in Moscow in 1988, cooperation between the two countries is developing very intensively. In line with the "concept of economic and scientific-technological cooperation between the GDR and the USSR through the year 2000," the comprehensive application and economical utilization of high technologies, in particular of microelectronics and modern computer technology, increasingly characterize cooperation with the Soviet Union. The GDR actively contributes to deepening cooperation in science and production with the CEMA member countries in the interest of strengthening socialism.

The tasks of economically safeguarding national defense and internal security and order were fulfilled. Like its allies, the GDR has started to reduce its Armed Forces unilaterally and independent of negotiations. The decision to use 11,500 members of the Nation People's Army in focal areas of the national economy during their active military service, after a short period of military training, is of great importance.

The following main results were achieved in implementing the 1989 national economic plan during the first half of the year (footnote one) (preliminary data):

—The produced national income rose by 4 percent. With 75 percent, industry made the largest contribution to the increase in national income.

Again this increase was completely based on a rise in labor productivity. Increasing production and labor productivity again went hand in hand with a decline in unit production input, which was reduced by 1.2 percent.

In the initiative "Return funds to the state—contribute to national income" combines from industry, the construction and transportation sectors, as well as bezirk councils returned energy sources, raw materials, material stocks and money to the value of M616 million directly to the state. Unit input of economically important raw materials and other materials was reduced by more than 3 percent.

—All sectors contributed to the national economic performance increase:

In industry net production and labor productivity rose by 6 percent. Industrial goods production increased by 4.8 percent. Prime costs per M100 of goods production declined by 1.1. percent.

In the construction sector net production was increased by 4.3 percent and labor productivity by 4.8 percent. Building output rose by 2.2 percent. Prime costs per M100 of construction output were reduced by 0.7 percent.

During the first half of 1989 the transportation sector fulfilled the transportation demands of the national economy. Unit input of transportation in the national economy was reduced by 4 percent, according to plan, through the further perfection of transportation relations. In line with the plan, 132 km of railroad track were electrified.

In the post and telecommunications sector performances for supplies to the national economy and the population rose by 2 percent.

In agriculture the plan for state procurement of slaughter animals was overfulfilled by 37,200 tonnes, that of milk by 196,900 tonnes, and that of eggs by 114 million units. Forestry provided 5.5 million cubic meters of rough timber to the national economy and thus overfulfilled the plan target.

—In the implementation of the SED's economic strategy, the high speed of introducing key technologies was continued. With the rising production of very-highly-integrated memory circuits, the supply of electronic component parts for computer and automation technology was further improved. Decisive for the comprehensive introduction of the key technologies in all fields of the national economy are the high growth rates in the production of goods, such as unipolar monolithically integrated circuits—48 percent; bipolar monolithically integrated circuits—22 percent; printers for computers—30 percent; office and personal computers—15 percent; industrial robots—10 percent.

The computer basis of the national economy was further strengthened through the production of 31,297 office and personal computers. The production of 16-bit computers with a higher computing speed and an increased storage capacity was considerably raised.

At present about 82,500 CAD/CAM workstations and systems are in operation in the national economy. The offer of efficient equipment for CAD/CAM technology was expanded by raising the production of small data processing facilities by 51 percent—in particular those with a 32-bit processing range.

Software production increased by 12 percent.

At the end of the first half of 1989 a total of over 96,000 industrial robots were being used in the national economy. The introduction of flexible automated manufacturing systems was continued.

—The efficiency of science and technology continued to increase.

A total of 2,466 new products, technologies, and processes from the science and technology state plan and the science and technology plans of the combines were introduced into production.

Advanced international standards were reached by 95 percent of the realized application-oriented tasks form the science and technology state plan.

Scientific-technological measures in the national economy saved 292 million hours of worktime.

The production goods with the "Q" quality mark was raised by 11 percent compared with the first half of 1988.

An expression of the close connection between science and production lies in the 3,200 performance contracts which were concluded on the basis of long-term coordination contracts between the combines and the GDR Academy of Sciences and the universities and colleges. This direct cooperation considerably promoted the development of top performances.

—In order to perfect the material-technical basis of the national economy and to continue the social policy, investments worth M36 billion were carried out.

Investments worth M29 billion served to strengthen the power of accumulation of the producing sectors. These are 8 percent greater than during the same period last year.

The increase in industrial goods production caused by completed investment production amounted to M8 billion.

Three-quarters of the investments in the producing industry were used for the modernization and rationalization of the existing basic assets.

In the national economy 11 percent more of branch-specific rationalization equipment were produced than during the first half of 1988.

In foreign trade the GDR achieved an export surplus of more than 2 billion valuta marks. Foreign trade turnover amounted to 83 billion valuta marks. With a share of about 40 percent in the foreign trade turnover, the USSR is the GDR's biggest trading partner.

—In line with the unity of economic and social policy, the increasing economic capacity of the national economy made it possible to ensure the people's achieved standard of living and to further expand it according to plan.

—In implementation of the housing program in its unity of new construction, reconstruction, modernization, and preservation, 102,825 apartments were newly built or modernized. These are 5,525 apartments more than planned. The targets for completing communal facilities were generally fulfilled.

The population's personal disposable income rose by 3 percent, on the basis of the working people's increasing performances.

Retail trade turnover rose by a total of 4.3 percent, including 6.4 percent for industrial goods. More than 5 percent more services and repairs for the population were carried out than during the same period last year.

The production enterprises in all fields of the national economy provided 6 percent more finished goods for the population than during the first half of 1988.

I. Science and Technology

During the first half of 1989 important scientific-technological results became effective for increasing labor productivity, raising quality, and reducing production input.

The targets of the science and technology state plan for the first half of 1989 were fulfilled. The advanced international standards are partly determined by 95 percent of the scientific-technological results that were introduced into production. In total 2,466 new products, technologies, and processes from the science and technology plans were introduced into production.

Production renewal was continued with great speed. Newly developed products worth M59 billion were produced. More than half of the production of these newly developed goods bears the "Q" quality mark. A total of 35 combines achieved a proportion of quality production in the production of newly developed productions of more than 60 percent.

Scientific-technological measures saved 292 million hours of worktime. This contributed to increasing labor productivity. The basis for this were mainly rationalization measures in connection with the comprehensive application of microelectronics and computer technology, with the flexible automation of manufacturing processes, and with the application of computer technology.

As a result of the Schwedt initiative, 50,000 working people were freed for other economically important tasks, in particular for better shift-utilization of highly productive machines and facilities, the expansion of in-house production of rationalization equipment, and the expansion of the consumer goods procurement. New establishment or restructuring of 152,000 workplaces in line with the principles of scientific organization of labor served the raising of productivity, while at the same time improving working and living conditions. Work hardships were reduced or completely abolished for 60,000 working people.

On the path of higher refinement and improving the input-output ratio, scientific-technological solutions helped to save 210,000 tonnes of rolled steel, 5,700 tonnes of nonferrous metals, 23,600 tonnes of castings, and about 100,000 tonnes of cement, and the unit input of energy was reduced by 6 million tonnes of raw brown coal equivalent.

In order to increase the GDR's capacity, important results became effective in the accelerated development and comprehensive application of key technologies, in particular on the basis of the science and technology state assignments: —In the field of microelectronics, the component part basis for the comprehensive application in the national economy was expanded. For this purpose surface-mounted circuits for radio and television sets, circuits made to customers' specifications, power transistor modules for machines and facilities, as well as power transistors for use in vehicle electronics were introduced into production.

In order to increase in-house production of special technical equipment for the manufacture of very-high integrated circuits, new equipment for structuring at a high technological level was introduced.

By completing the development of the A A 5105 training computer in the Dresden Robotron Combine, the range of products of computer technology is supplemented by a high-capacity and favorably priced computer, which can be used both for training and for any other tasks.

Through new solutions for the use of CAD/CAM technology in the national economy, further preconditions for raising efficiency and flexibility of production preparation and control were established, including for tool construction and manufacture in the metal-processing industry combines, for the automation of preparatory and manufacturing process in machine-tool building, and in shipbuilding, as well as for the production of sports equipment.

—In order to raise labor productivity, further flexible automated manufacturing systems and computer-controlled manufacturing stages were introduced into production for, among other things, the automated production of tractor parts, vehicle headlights, thermoglass, and wall tiles. By introducing new stored-program controls and ICA 700 industrial computers, further preconditions for the close interlacing of machine-building and microelectronics were established.

By introducing modern methods and new processing technologies, costs, work time, materials, and energy were saved, while working conditions were improved at the same time. This includes a combined turning-drilling-milling method in the production of gears, efficient metallurgical-technological methods for the production of crankshafts and camshafts for passenger cars, as well as the method of computer-aided quality assurance in the manufacture of rolling bearings.

—New high-quality materials were introduced in production to reduce the unit input of material while at the same time raising quality and efficiency. This particularly applies to amorphous bands with specific electric and magnetic properties, to steel plates with a

higher degree of solidity for cold forming, new aluminum profiles optimized on the basis of an economical consumption of material, as well as to special coating materials (target) for microelectronics.

The range of highly refined subcontractor products in the chemical industry was expanded by new bleaching agent activators for household washing agents, decorative finishing coats of paint for the shipping industry, formaldehyde-free polyurethane cellulose nitrate lacqeur for furniture, as well as chlorine rubber of international top quality for anticorrosive paints.

To further increase the economical use of energy, new solutions became efficient in production, including a new chest freezer that consumes 150 kilowatt-hours less than the previous model, as well as extrusion molding technology for the production of aluminum profiles with an optimized consumption of energy.

—In the sphere of biotechnology, production in the foodstuffs and beverage industry was increased through the intensification of processing methods, with the input of raw materials remaining constant. The manufacture of new products has been started.

The range of vaccines for animals was expanded. Comprehensive prophylactic methods, based on biotechnological procedures, for combating virus infections, particularly infections of the respiratory tracts of pigs, have been introduced, thus creating further preconditions for reducing losses in animal production.

By optimizing the preparation of local waste waters, particularly by broadly applying procedures of enzymatical sludge stabilization, a contribution was made to environmental protection, while at the same time utilizing byproducts.

To strengthen the material-technological basis for the development of biology and for exports, modular-design reactors were developed and the preconditions for the development of a unified numerically controlled fermentor series for research and production were created.

The high-quality consumer goods whose production was started include high-definition color television sets, new boilers, a new low-capacity motorcycle, as well as electric hearths with low energy consumption.

New products and plants were made available for export, such as machining cells for production sections that require little operational control, electronically controlled textile machines, new types of railway carriages for different climatic zones, equipment for open-pit mining, as well as combine harvesters with new functional units for expanded fields of application.

In basic research and applied research, a long-term advance was created in the field of new products, technologies, and procedures on the basis of about 3,200 performance contracts of the GDR Academy of Sciences, universities, and technical colleges with combines. The most significant results of advance research are, among others:

—a method for developing connecting semiconductors for circuits in the very-high-frequency range; the technological basis for the production of circuits for a new generation of digital switching equipment;
—sensors for the automation of processes, including the monitoring of machine tools for breakage and wear;
—the technological basis for the production of thin-film chip resistors in low- and high-ohm ranges;
—solutions for complex image processing systems for visual sorting and checking processes in industry and agriculture;
—the basis for the development of an expert system aimed at shortening projecting periods and periods to find projecting solutions in industrial and housing construction;
—the basis for a procedure aimed at developing a new protein substance with a broad range of application as a therapeutic agent against various infectious diseases of man, as well as the basis for new enzyme systems for the production of modified starch products with improved properties for foodstuffs and dietary products.

In order to fulfill the targets of the "Comprehensive program of scientific-technical progress of the CEMA countries through the year 2000" and of research and production cooperation with the USSR, the GDR completed the planned work stages for 111 tasks, thus making a timely contribution with high scientific-technological standards. The related introduction of new products and technologies into production contributes to the further perfection of the structure of mutual goods exchange. This includes:

—electronic component parts, such as, for instance, unipolar circuits for a new 16-bit microprocessor system and bipolar power transistors,
—modern automation and control technology for process control and machine systems,
—highly efficient processes for the production of self-adhesive polymer color foils as well as special materials for microelectronics,
—new long-distance passenger cars, refrigerated vehicles, excavators, stackers, and equipment for an intermediate and small section steel mill in the USSR.

The 5,000 FDJ youth research collectives play an essential role in the performances of science and technology. The tasks of the science and technology state plan, which were centrally assigned, are being worked on according to plan. Of the 15 tasks that have to be completed in 1989 4 tasks were completed by FDJ youth research collectives with high economic results during the first half of the year. These include CAD/CAM solutions for construction and production preparation of combine

harvesters and sports equipment, as well as a process for developing connecting semiconductors. Combine directors assigned 775 "FDJ Party Congress Projects" to youth research collectives.

The innovators, inventors, and rationalizers made an important contribution utilizing scientific-technological results for economic growth. In the state-owned economy more than 1 million working people participated in the innovators' movement. The innovations introduced during the first half of 1989 yield an annual benefit of M3.4 billion. The young innovators in the Fair of the Masters of Tomorrow movement and the members of the Chamber of Technology play a big role in this.

II. Industry

The working people in industry made the decisive contribution to the dynamic and stable development of the national economy. On the path of comprehensive intensification the capacity of industry was strengthened, in particular through the speedy expansion of production in the field of the key technologies and through their comprehensive and efficient utilization.

In the sphere of the industrial ministries, net production and labor productivity rose by 6 percent each. A total of 117 centrally and bezirk-administered combines achieved their production increase exclusively through increased labor productivity. Industrial goods production rose by 4.4 percent in the sphere of the industrial ministries. The plan lead was extended month after month and amounts to M1.6 billion. All 126 centrally administered combines fulfilled the plan of industrial goods production and 1,234 combines achieved the planned net production.

Among the combines, which fulfilled or overfulfilled all key targets of performance appraisal and reliably achieved the production targets of the state plan positions, are: Senftenberg Brown Coal Combine; Brandenburg Quality and Refined Steel Combine; Fuerstenwalde Tire Combine; Leipzig Baukema; "7 October" Machine-Tool Combine, Berlin; Dresden Ventilation and Refrigeration Technology; Stassfurt Radio and Television; Ilmenau Technical Glass; Rostock Fishing Combine.

Progress was made concerning the task to conscientiously implement the plan of the state plan positions, a task which was stressed at the seventh SED Central Committee Session. The plans were fulfilled or overfulfilled with respect to 348 state plan positions. A high production growth in overfulfilling the plan targets was registered for many products that are important for supplies to the population, the development of the national economy, and the fulfillment of export tasks. These include the following state plan positions:

Synthetic fibres, high-pressure polyethylene, railroad tracks, coated steel sheets and strips, sawn timber, nonnumerical controls for electrical engineering and electronics, color television tubes, contact component parts, bipolar circuits, fittings, pneumatic products, special technical equipment for the production of passive electronic component parts, refrigeration equipment, robot technology products, machinery and equipment for the foodstuffs industry, gas-fueled hot-water boilers, color television sets, and products of the purse-making industry.

Concerning 35 items of the state plan nomenclature greater efforts are necessary to eliminate backlogs quickly. This mainly applied to:

Small motorcycles, storage water heaters and boilers, industrial gears, roller bearings, products of vacuum technology, industrial insulation, spare parts for agricultural machinery, bottles for foodstuffs.

In the sphere of the bezirks' economic councils net production rose by 6.7 percent. Labor productivity was raised by 6.9 percent. Industrial goods production went up 3.8 percent. In the sphere of the economic councils the plan targets of industrial goods production were overfulfilled.

Prime costs per M100 of goods production were reduced by 1.1 percent in the sphere of the industrial ministries. High reduction rates were achieved in particular by the following combines: Carl Zeiss Jena—5.8 percent; Berlin Communications Electronics—3.1 percent; "Werner Lamberz" Printing Combine, Leipzig—3.0 percent; Dresden Electrical Machine Building—2.5 percent; Magdeburg Gears and Couplings—2.5 percent.

In some combines where the planned costs were exceeded reserves have to be tapped more intensively. This mainly applies to the following combines: Dresden Pharmaceutical Combine; Schwarzheide Synthetics Works; Oberspree "Wilhelm Pieck" Cable Works, Berlin; Rostock Shipbuilding; Berlin Rail Vehicle Building; Leipzig ORSTA [expansion unknown] Hydraulics; Kahla Fine Ceramics.

During the first half of 1989 the industrial combines provided finished goods to the population worth M43 billion at retail trade prices to the domestic consumer goods trade. These are 7 percent more than during the first half of 1988. The plan was exceeded by M1.1 billion.

Among the combines of the consumer goods industry that achieved an increase in the production of finished goods for the population by 10 percent and more are: Wolfen Photochemical Combines—23 percent; Karl-Marx-Stadt Knitwear—14 percent; Zeulenroda Furniture Combine—12 percent; Thalheim Esda Hosiery - 11 percent.

An increasing contribution to the supply of consumer goods to the population was made by the combines that primarily manufacture producer goods. On the basis of new product lines that determine the character of production in many of these combines high-quality consumer goods were produced in great numbers. This applies, for instance, to the combines: Berlin Automation Installation Construction with the production of stereo amplifiers; Schmalkalden Machine-Tool Combine with the production of the SBM 13.2 R two-speed impact drilling machine; Dresden Robotron with the production of portable color television sets; "Werner Lamberz" Printing Combine, Leipzig, with the production of remote controls for toys.

In the bezirk-administered industry, the following combines particularly contributed to providing a bigger supply of consumer goods with an increase in the production of finished goods for the population by 10 percent and more: Berlin Camping and Industrial Arts Products—32 percent; Halle Electrical Appliances—25 percent; Rudolstadt Jewelery and Porcelain, Gera Bezirk—23 percent; Schwering Saddler and Leather Goods—18 percent; Leipzig Housing and Leisure Equipment—14 percent; Rathenow Industrial Goods, Potsdam Bezirk—14 percent.

The production of newly developed consumer goods for supplies to the population and for exports was M1.8 billion, that is 9 percent, higher than during the first half of 1988. A share of more than 50 percent of newly developed products in consumer goods production was reached, for instance, by the following combines: Schwerin Leather Goods—78 percent; Cottbus Textile Combine—59 percent; Schmalkalden Sports Equipment—57 percent.

During the first half of 1989 industry produced M60 billion worth of goods with the "Q" quality mark. This corresponds to an increase by 11 percent. The 794 "enterprises of outstanding quality work" essentially contributed to this. Among the combines with a high proportion of goods with the "Q" quality mark in the overall goods production are: "7 October" Machine-Tool Combine, Berlin—66 percent; "Werner Lamberz" Printing Combine, Leipzig—66 percent; "Hans Beimler" Locomotive Construction-Electrotechnical Works, Hennigsdorf—60 percent; Plauen Deko—60 percent; Stassfurt Radio and Television—59 percent; "Fritz Heckert" Machine-Tool Combine, Karl-Marx-Stadt—56 percent.

In-house production of branch-specific rationalization equipment was raised by 12 percent in the sphere of the industrial ministries. An increase of more than 20 percent, while adhering to high production standards, was achieved, for instance, by the following combines: Heidenau Chemical Pulp and Paper—25 percent; Weisswasser Lausitz Glass—25 percent; Fuerstanwalde Tire Combine—24 percent; Rostock Shipbuilding—22 percent.

The following increase in net production and labor productivity as well as the following reduction in prime costs per M100 goods production were achieved in the spheres of industrial ministries:

	Increase in net production	labor productivity	reduction of prime costs
	—as percentage—		
Coal and energy	6.4	5.7	0.8
Ore mining, metallurgical industry, and potash	1.5	1.7	0.4
Chemical industry	4.9	5.1	0.5
Electrical engineering, electronics	12.7	12.3	2.8
Heavy machinery and installation construction	3.9	5.5	1.0
Machine tools and processing machinery construction	7.0	7.8	1.2
General machinery, agricultural machinery, and vehicle construction	4.6	4.2	0.2
Light industry	6.6	6.2	0.8
Glass and ceramics industry	1.8	2.6	0.3
Bezirk-administered industry and foodstuffs industry	6.2	6.6	1.0

The working people in the coal and energy industry ensure the stable supply to the population and national economy of electrical energy, gas, and solid fuels. The plans for the production of electrical energy, raw brown coal, and city gas were fulfilled.

The refinement of brown coal was consistently continued. The plan was overfulfilled by 427,000 tonnes of sifted coal, 19,000 tonnes of brown coal high-temperature coke, and 146,000 tonnes of brown coal briquettes. During the first half of 1989, 6.4 million tonnes of brown coal briquettes were sold to the population. A stable supply of thermal energy and city gas was ensured.

By starting permanent operation of the sixth block at the "Wilhelm Pieck" power plant of youth in Jaenschwalde in March, the capacities for the production of energy were increased by 500 megawatt. Thus, the installed capacity of power plants in the GDR rose to a total of 24,100 megawatt.

Prospecting work of the geological industry according to plan led to an increase in the supply of raw materials for construction materials and of groundwater. A total of 5.5 million cubic meters of natural gas were produced.

The metallurgical industry increased the manufacture of highly refined products, thus making an important contribution to reducing the specific consumption of material in the national economy: 84 percent of the entire

rolled steel output are refined rolled steel products. High rates of increase were achieved in the manufacture of metallurgical products, including:

Refined hot rolled strip (12 percent); refined cold-upsetting cable [Kaltstauchdraht] (9 percent); and refined cold-upsetting steel (8 percent).

The range of products of nonferrous metallurgy has further improved in terms of quality. Important subcontractor products, such as special materials, bond wires, and base strip material were provided for the expansion of microelectronics.

The working people in the potash industry accomplished extraordinary achievements in the pits and factories to keep the production loss as low as possible that resulted from the rock burst on 13 March 1989, thus assuming their responsibility for the national economy under complicated conditions.

In the chemical industry, about 70 percent of the production increase resulted from more highly refined products. The proportion of light products, such as gasoline, diesel fuel, and liquid gases in crude oil processing rose to 71 percent; 25 percent of the processed crude oil substances are economically utilized.

In the production of important crude oil-based chemical raw materials and in the production of high-quality plastics and elastomer materials, high growth rates were achieved in the following cases, among others:

Acrylonitrile-butadiene-styrene plastics (26 percent); ethen [as published] (25 percent); synthetic fibers (22 percent); propylene oxide (18 percent); polyamide (13 percent); and polyvinyl chloride (6 percent).

A total of 27 percent of the production of the chemical industry are new products.

In the sphere of electrical engineering and electronics, an above-average increase in performance and efficiency was achieved to ensure the accelerated development and application of microelectronics in the national economy. The following combines made sizable contributions by considerably increasing labor productivity:

Robotron Dresden (23 percent); Microelectronics Erfurt (14 percent); Electronic Components in Teltow (12 percent); and the Carl Zeiss Combine in Jena (11 percent).

With the increasing production of very large-scale integration memory circuits, the supply of electronic components to computer and automation technology was improved. The production of small-sized data processing equipment, including equipment with 32-bit processing, increased by 51 percent. Thus, the range of high-efficiency equipment for CAD/CAM technology was expanded.

A high production increase was achieved concerning important products of electrical engineering. These include: single-phase standard motors—29 percent; transformers for energy distribution—24 percent; rotary current asynchronous motors—17 percent.

In heavy machinery and installation construction machinery and installations for the production, processing, and refinement of energy sources and raw materials with a higher scientific-technological standard were increasingly produced. A total of 41 percent of goods production bears the "Q" quality mark. A high production increase was achieved in, above all: installations for removing excavated material and open-cast mining—16 percent; rolling mill equipment—13 percent; building material machines—9 percent; refrigeration equipment—6 percent.

The qualitative level of important subcontractor parts was improved and their production was raised. These included pneumatic products with an increase by 13 percent, pumps and compressors by 8 percent; and fittings by 5 percent.

The products of machine tool and processing machinery construction increasingly reflect the close connection between high-quality mechanical parts and microelectronics. The combines "Werner Lamberz" Printing Combine, Leipzig; Karl-Marx-Stadt Textima; "Herbert Warnke" Metal-Forming Technology, Erfurt; and "Fritz Heckert" Machine-Tool Combine, Karl-Marx-Stadt, further expanded the manufacturing facilities for in-house production of special microelectronic instruments and component parts.

Modern machine tools as parts of automated manufacturing complexes and installations were developed, produced, and made available to the national economy and to exports with priority.

In connection with 16-bit and 32-bit computer technology, the machine-tool combines developed highly efficient computer-integrated manufacturing technologies and produced the necessary equipment. This includes the freely programmable 16-bit microcomputer control of the system 7000 from the "Karl Marx" Numerik state-owned enterprise in Karl-Marx-Stadt.

Compared with the first half of 1988, production of numerically and computer controlled machine tools rose by 16 percent; that of cutting machine tools by 13 percent; that of numerical controls by 12 percent; that of process-flexible industrial robots by 8 percent; and that of machinery and equipment for the printing and paper processing industry by 8 percent.

In general machinery, agricultural machinery, and vehicle construction, a high production increase was achieved in a number of economically important machines and equipment. These include: E 514 combine harvesters—30 percent; spare parts for automatic loaders—19 percent; packaging facilities—13 percent; and machinery and equipment for the foodstuffs industry —12 percent.

A total of 21 percent of the products of this sector bear the "Q" quality mark. Serial production of the "Wartburg Tourist 1.3" passenger car started in March according to plan and that of the "ETZ 251" motorcycle in January 1989. Consumer goods, such as household refrigerators, electric stoves, and stoves for solid fuels, were produced in great numbers for supplies to the population and for exports.

In light industry the manufacture of high-quality products was increased, mainly through the refinement of domestic raw materials. High growth rates were achieved in the production of consumer goods, such as: bed clothes—22 percent; sweatsuits for children—11 percent; knitted outerwear for children—10 percent; products of the purse-making industry—9 percent; clothes made of leather and artificial leather—8 percent; sports and hiking tents—7 percent.

The proportion of newly developed goods in production amounts to 36 percent. A particular proportion of in this is accounted for by the Erfurt Outerwear Combine, the Schwerin Leather Goods Combine, and the Thalheim Esda Hosiery Combine. Many fashionable products were introduced into production. These include new briefcases, clothes made of leather and artificial leather, sportswear, corsets, terry-cloth products, and decoration fabrics.

On the basis of domestic mineral raw materials, the glass and ceramics industry increasingly produced refined goods for microelectronics, biotechnology, and refinement chemistry, as well as for supplies to the population.

During the first half of 1989 newly developed goods worth almost M2 billion were produced, including new consumer goods made of cut crystal and porcelain, as well as wallpapers and mirrors.

A high production increase was achieved in, among others: spooled silk threads—30 percent; multi-layer safety glass—16 percent; household glass, glasses—15 percent; bags made of polyethylene foil—8 percent.

Development of the production of economically important goods compared with the first half of 1988

	in percent
electricity	100.8
raw brown coal	99.3
refined rolled steel	101.4
diesel fuels	114.6
high-pressure polyethylene	107.6
synthetic fibers	122.0
unipolar integrated circuits	148.0
bipolar integrated circuits	122.2
office and personal computers	114.9
printers for computers	130.1
devices and facilities for monitoring, regulation, and control	108.6
cutting machine tools	112.8
cold-forming machine tools	103.4
machinery and equipment for the printing and paper processing industry	107.7
ventilation and air-conditioning equipment	105.9
machinery and equipment for the foodstuffs industry	112.4
special electrical equipment for road vehicles	108.1
numerical controls	111.7
fittings	105.1
pumps and compressors	108.3
color television sets	111.9
radio-tape recorders	125.8
electric stoves	106.7
household refrigerators	102.7
among them:	
household freezers	102.3
children's outerwear	103.3
outerwear for men	104.5
outerwear for women	103.9
products of the purse-making industry	108.9
furniture and upholstered goods	106.4

The economical use of material and energy was further improved. Production growth was linked with a declining unit input of economically important raw materials and other materials by more than 3 percent. Unit input of primary aluminum and its alloys, refined lead, electrolytic lead, hard lead, phosphorous raw materials, and paper was reduced by 4 percent.

Decisive for the reduction of unit input of material were, above all, the more comprehensive utilization of modern, material-saving technologies and processes for higher refinement, the increasing application of key technologies, the development of new materials, as well as stricter adherence to enterprise norms or central state norm targets.

The plan was exceeded by reducing unity input of rolled steel by 7 percent in the metal-processing industry. A high share in this was taken by the "Ernst Thaelmann" Heavy Machinery Construction Combine, Magdeburg; Karl-Marx-Stadt Industrial Association of Motor Vehicle Construction (IFA) Private Cars Combine; Dresden Nagema; and Schmalkalden Tool Combine.

Energy input was reduced by 6 percent through the economical use of energy and due to favorable weather conditions. The energy sources that were additionally saved in the economy because of favorable weather conditions were returned to the state and used for the further stocking up of energy sources in the national economy. This applies, among others things, to 0.3 million tonnes of brown coal briquettes, 4.6 million tonnes of raw brown coal, and 150 million cubic meters of city gas.

The initiatives to reduce the use of electricity were continued. More than two-thirds of all combines reduced unit input of electricity. High reduction rates were achieved by the following combines: Dresden Robotron—15 percent; Erfurt Microelectronics—10 percent; "7 October" machine-Tool Combine, Berlin—10 percent; Torgau Plate Glass Combine—8 percent; Carl Zeiss Jena—6 percent.

Supplies of raw materials and other materials to the economy were effectively supported by a higher procurement of secondary raw materials and their comprehensive recycling. A total of 12 percent of the overall raw material procurement was covered by the re-use of secondary raw materials. At present the proportion of secondary raw materials amounts to 67 percent in the production of both raw steel and copper, to 100 percent in the production of lead, and to 50 percent in the production of paper and cardboard.

During the first half of 1989 a stable procurement of steel scrap, cast iron scrap, waste paper, and thermoplastic waste from households was ensured. The plan concerning these items was overfulfilled. In total, 2.9 million tonnes of scrap metal, 345 kilotonnes of waste paper, and 700 million returnable glass bottles and containers were collected.

With a benefit of M1.5 billion in the "Economical Use of Material" FDJ drive and the "Economical Use of Energy" FDJ initiative, the young people made an effective contribution to the efficient use of raw materials, material, and energy. The members of the FDJ and the "Ernst Thaelmann" Pioneer Organization collected 262,000 tonnes of scrap as well as 61,000 tonnes of waste paper. In the FDJ drive "Max needs scrap—we bring 100,000 tonnes more" more than 72,000 tonnes of steel scrap were additionally processed during the first half of 1989.

An average of 23 kg of waste paper and 104 returnable glass bottles and containers per household were purchased from the households. Households provided 44 percent of the waste paper and 23 percent of nonferrous metals. The majority of the bezirks raised the procurement from households concerning steel scrap, waste paper, returnable glass bottles, and thermoplastic waste.

The water management working people accomplished high performances in order to guarantee the supply of drinking water for the population and of industrial water for the national economy. Because of the lasting drought, additional measures to tap further water resources and to complete planned projects for drinking water supply ahead of schedule were necessary during the first half of 1989.

In order to support socialist agriculture in carrying out urgently necessary irrigation, an additional 409 barrages and 63 water delivery tubes were built as well as 111 gravel and clay pits, residual pits of open pit mines, and emergency wells for water withdrawal were expanded.

In order to implement the housing program and to cover the population's increasing demand for drinking water, new water works facilities with a capacity of 92,000 cubic meters per day were put into operation, among others in the water works of Cottbus, Redeburg in Dresden Bezirk, and Berlin-Friedrichshagen. The projects for the expansion of the storage facilities of Lohsa in Cottbus Bezirk and Deesbach in Suhl Bezirk were carried out according to plan.

Waste water treatment and water protection were further improved by raising the capacity by 94,800 cubic meters per day. This was done, above all, by reconstruction, expansion, and modernization of existing purification plants, mainly, by putting into service the first stage of the Freiberg purification plant with 30,600 cubic meters per day and by expanding the Wassmannsdorf purification plant by 60,000 cubic meters per day.

Good results were achieved in the reconstruction of more than 400 km of water supply tubes above all in the bezirks of Erfurt, Potsdam, and Karl-Marx-Stadt. The planned maintenance work on facilities of water management and waters were exceeded by 3.3 percent.

In order to improve drinking water supplies and waste water removal and treatment in the country, new hook-ups to the drinking water network were established for the households of 58,000 citizens in 410 villages and village districts through the people's own great performances and new hook-ups to the waste water removal and treatment network were established for households of 22,000 citizens in 185 villages and parts of villages.

Maintenance, shaping, and protection of the environment are being carried out as a concern of the entire society. By using scientific-technological knowledge, the protection of the natural environment in the interest of steadily improving the citizens' working and living conditions is closely linked with the economical use of energy and the tasks to regain valuable materials. During the first half of 1989, for instance, lithopones were regained by putting into service a flue-dust precipitation facility in the Fuerstenwalde Lithopone Works. In the Grossraeschen Briquette Factory a facility for making use of exhaust vapors for heating was put into operation. The competition of dedusting facilities in, among others, the "Suedharz" Potash Factory, Sondershausen, and the putting into operation of the first stage of a purification plant for ammoniacal waste water in the parent company of the Black Pump Gas Combine contribute to reducing environmental pollution. The projects to regain hydrogen chloride and hydrogen fluoride in the Bitterfeld Chemistry Combine and for flue-gas purification in the Lippendorf Ferroalloy Works were carried out according to plan.

Outstanding work is being done by the more than 60,000 citizens who are organized in the "Society for Nature and the Environment" for the protection of the rich fauna and flora and for the landscape.

III. Investments

A total of M36 billion were invested for the modernization, reconstruction, and expansion of the material-technical base of the national economy as well as for the continuation of the social policy. These are 7 percent more than during the first half of 1988.

In line with the basic guidelines given by Erich Honecker, general secretary of the SED Central Committee, at the seventh SED Central Committee session, the accumulative power of the producing sectors was strengthened. The investment volume in these sectors amounted to M29 billion and thus increased by 8 percent.

Almost M7 billion were used for the current projects of the investment state plan. The planned investments for the first half of 1989 were generally fulfilled.

The investments were more intensively concentrated on the rationalization, modernization, and reconstruction of existing production facilities as well as on quickly introducing scientific-technological results into production, in particular for the manufacture and application of key technologies. Three-quarters of the investments of the processing industry were used to modernize the existing basic assets. In the sectors of heavy machinery and installation construction and machine-tool and processing machinery construction more than 85 percent were used for this purpose.

On the occasion of the 40th anniversary of the founding of the GDR and in preparation for the 12th SED Congress, 5,269 rationalization projects are being carried out in 3,733 enterprises.

In the first half of 1989, 6,250 industrial robots were newly installed in the national economy. Greatest efficiency is achieved in those places where they are firm parts of comprehensive modernization solutions for the entire production stages. The scientific-technological level and the flexibility of their application is primarily increased by using sensor technology. The following combines in particular have saved at least three workplaces with the installation of every new industrial robot:

Robotron Dresden, Electronic Components Teltow, Radio and Television in Stassfurt, and the Industrial Association for Motor Vehicle Construction (IFA) Two-Wheel Vehicles in Suhl.

During the first half of 1989, a total of 9,100 CAD/CAM workstations and work systems were newly put into service. They were primarily used in research and development, construction and design, the development of software, and for production preparation and control. The combines that achieved a reflux period of less than 1.2 years of non-recurrent expenditures by carefully planning the application of the software and through the high level of the software, while at the same time making workers available for other important tasks in the national economy, include:

The Petrochemical Combine in Schwedt, Ceramic Works in Hermsdorf, Radio and Television Combine in Stassfurt, Cotton Combine in Karl-Marx-Stadt, and Industrial Association for Motor Vehicle Construction (IFA) Private Cars Combine in Karl-Marx-Stadt.

The increase in industrial goods production resulting from investment projects that were completed amounted to M8 billion. The facilities of the investment projects completed during the first half of 1989 include, among others:

—Facilities for the manufacture of microelectronic products: photoconductor terminals in the VEB Communication Electronics in Greifswald; circuits in the VEB Semiconductors in Frankfurt (Oder) and the Electric Apparatus Works in Berlin; capacitors in the VEB Capacitor Works in Goerlitz and Electronics in Gera; silicon dice in the VEB Trace Metals in Freiberg; controls in the VEB Electric Apparatus Works in Berlin; "Karl Marx" Numerical Works in Karl-Marx-Stadt; and "Friedrich Engels" Electronics in Erfurt.

—Facilities for the production, better utilization, and higher refinement of domestic fuels and raw materials: for the production of raw brown coal in the Breitenfeld, Delitzsch Sued-West, Goitsche, Reichwalde, and Witznitz open cast mines as well as of coke in the VEB "Erich Weinert" Brown Coal Works in Deuben; for the production of potash fertilizers in the VEB "Suedharz" Potash Enterprise; of ammonia in the VEB Agrochemical in Piesteritz; as well as of chlorine rubber in the VEB Ammendorfer Plastics Works in Halle.

—Facilities for the application of progressive treatment and processing methods for the production of goods, such as welded steel tubes in the VEB Tube and Cold Rolling Mill in Karl-Marx-Stadt; thioplasts and auxiliary plastic materials in the VEB Chemical Works in Greiz-Doehlau; double coated varnished wire in the VEB Cable Works in Adlershof Berlin; micro motors in the VEB Electronics in Gera; tools for producing master patterns in the VEB Fitting Works in Halle; as well as fittings in the VEB "Karl Marx" Magdeburg Fitting Works and the Fitting Works in Rosswein.

Facilities for the production of investment goods, such as precision measuring equipment in the VEB Precision Measuring Instrument Factory in Suhl; large equipment for open-pit mining as well as machinery and equipment for mining in the VEB "Paul Froehlich" Loading and Transportation Equipment in Leipzig and in the VEB Heavy Machinery Construction in Lauchhammerwerk;

pumps in the VEB "Vogtland" Machine Tool Factory in Plauen; as well as high-pressure compressors in the VEB Engineering Works and Iron Foundry in Wurzen.

—Facilities for the production of consumer goods, such as boilers in the VEB Electrical Appliance Works in Suhl; bathing costumes in the VEB Knitwear in Oberlungwitz; ladies' shoes in the VEB Meissen Shoe Factory; men's outer wear in the VEB Diamant in Grevesmuehlen; furnishing fabrics in the VEB Curtains and and Furnishing Fabrics in Gruenbach; silk tissues in the VEB Fashion Design in Gera; yarns for hand knitting in the VEB West Thuringia Spinning Mill in Muehlhausen; as well as low-capacity motorcycles in the VEB "Ernst Thaelmann" Vehicle and Hunting Rifle Works in Suhl.

Progress was made in the project-related carrying out of investments. Observing the planned startup dates is of great importance for achieving the stipulated increase in performance and efficiency.

The utilization in terms of time of important production equipment in industry was on the average 17.5 hours per calendar day. In the plant-intensive branches of basic industry, important production equipment was used 19.6 hours per calendar day, and in the branches of the processing industry 16.7 hours per calendar day. By using the experiences of combines of the processing industry which are doing exemplary work in this field, such as Carl Zeiss Jena, Microelectronics in Erfurt, Ceramic Works in Hermsdorf, and Household Appliances in Karl-Marx-Stadt, further reserves can be tapped.

During the first half of 1989, investments amounting to M7 billion were used to implement the housing program and for the education sector, the health and social sector, recreation, physical culture, and sports.

The facilities completed in these fields include:

—the diagnostics center at the medical department of the Ernst-Moritz-Arndt University in Greifswald,
—the renovated operating rooms of the children's hospital at the Buch Clinical Center,
—the Central Outpatients' Department of the Berlin Charite,
—old people's homes and nursing homes in the capital of Berlin, in Rostock-Toitenwinkel, and Loessnitz in Aue Kreis,
—the expansion of the "Clara Zetkin" Teacher Training Institute in Berlin and the completion of part of the department of the metal working industry at the Technical University in Zwickau.

For the young people's leisure activities, 7 youth club facilities with 839 places were established within the framework of the housing program, and 13 youth club facilities with 1,142 places were established with the resources of agriculture and with the support of the Peasants' Mutual Aid and the Consumer Cooperative Association. Repair and modernization measures were carried out in 26 central pioneer camps and in 37 youth tourism facilities.

IV. Construction Sector

The construction workers fulfilled the planned construction tasks for the strengthening of the material-technical base of the national economy and for the further implementation of the housing program.

Compared with the first half of 1988, net production rose by 4.3 percent and labor productivity by 4.8 percent. In 28 of the 52 centrally- and bezirk-administered combines, labor productivity rose more quickly than net production. Production in the sphere of construction increased by 2.2 percent. The plan lead in the building output is M112 million. The combines that fulfilled all targets of performance assessment and achieved a high performance increase through rising labor productivity include the Magdeburg Highway Construction Combine, the Erfurt Construction and Assembly Combine, the Leipzig Technical Construction Equipment Combine, the Potsdam Housing Construction Combine, the Berlin Civil Engineering Combine, and the kreis-administered construction sector of Magdeburg Bezirk.

Prime costs per M100 of building output were reduced by a total of 0.7 percent. Thus, the tasks set for the reduction of costs were not completely fulfilled. In a number of combines and enterprises it is necessary to tap reserves to a greater extent in order to achieve that planned cost reduction. This applies primarily to the Chemical Construction and Assembly Combines in Halle and East Frankfurt (Oder), the Dessau Concrete Combine, as well as the locally-administered construction sector of the capital Berlin and Rostock Bezirk.

A total of 210 application-oriented tasks of the state plan and the enterprise plans for science and technology were transferred to production. This contributed to further reducing the expenditure in the sphere of construction and to improving the economical use of material. These application-oriented tasks include:

—the startup of a new technical line for the production of wall and floor tiles in the VEB "Kurt Buerger" Tiles Works in Karstadt;
—the further development of unit construction for the construction of houses in the towns in Schwerin Bezirk.

The specific consumption of sawn timber was reduced by 2 percent and the consumption of rolled steel by 1 percent.

The in-house production of rationalization means increased by 1.4 percent. The planned construction tasks for projects of the state plan for investments were generally fulfilled. To secure the completion of all

planned projects according to schedule, the preparation of the investments on a timely basis as well as the speedy carrying out of the construction are essential. The Construction and Assembly Combine in South Leipzig in particular has to increase efforts in order to achieve the planned performance targets.

The production of the building material industry rose by 3.0 percent. The plan was fulfilled 101.3 percent. Particularly roofing board and insulating board, building locks and iron mountings, aggregates, hollow building blocks, small wall building material, foam mortar components, sand-lime bricks, roof tiles, lavatory basins, and toilets as well as wall tiles were produced in excess of the plan. The construction sector provided finished goods worth over M1.5 billion to the population. This is 11 percent more than during the first half of 1988.

The housing program, in its unity of new construction, reconstruction, modernization, and maintenance, is being speedily implemented. During the first half of 1989 102,825 apartments were handed over to the population. These are 5,525 apartments more than planned. The plan was fulfilled in all bezirks. A total of 47,391 apartments were newly built, including 5,488 owner-occupied apartments. Workers housing construction cooperatives (AWG) received 11,146 new apartments. In 45 kreises there were backlogs in the new construction of apartments. The biggest backlogs were found in the kreises of Dresden-Stadt, Rudolstadt, Meiningen, Gotha, and Werdau.

A total of 55,434 apartments were modernized. Increasing housing construction in the cities has also raised the attractiveness and operability of many older residential areas. A total of 103,532 apartments for senior citizens and citizens in need of care, as well as 103,178 rooms in communal facilities were renovated or repaired within the "Beautify our towns and villages—join in!" citizens' initiative. In the "Rebuild and expand" FDJ campaign almost 10,000 apartments were completed.

The new construction or reconstruction of communal facilities, which generally took place according to plan, contributed to improving supply and care for the population in the residential areas. A total of 2,734 places in nurseries; 8,122 places in kindergartens; 567 classrooms; 40 school gymnasiums in general polytechnical secondary schools; and 186 workplaces for doctors on locally-administered state institutions were completed. A total of 1,279 apartments in houses appropriate for senior citizens and 1,281 places in old-age and nursing homes were handed over to senior citizens.

Building repairs in apartment houses rose by 2.2 percent. In 31 kreises there were backlogs concerning building repairs in apartment houses. These include, among others, the cities of Magdeburg, Dessau, and Eisenhuettenstadt, Poessneck Kreis, and the Berlin city district of Hoehnschoenhausen. In particular in these kreises it is necessary to increase the speed of performance increase concerning building repairs in apartment houses.

V. Agriculture, Forestry, and Foodstuffs Industry

The cooperative peasants and workers in agriculture, forestry, and the foodstuffs industry ensured stable supplies of foodstuffs to the population and of raw materials to industry. The "Agra 89" fair impressively demonstrated the very positive balance sheet of the agricultural and alliance policy.

The planned state procurement of animal products with regard to slaughter animals, milk, and eggs was fulfilled or overfulfilled in all bezirks; 37,200 tonnes of slaughter animals, 196,900 tonnes of milk, and 114 million of eggs were provided in excess of the plan.

	Fulfillment of the half-year plan of state procurement as percentage	Development compared with the first half of 1988 as percentage
slaughter animals	102.7	101.3
milk	105.1	103.0
eggs	104.3	103.0

State procurement of milk amounted to 2,028 kg per cow. This is the highest procurement to date within one half-year. The quality of the procured raw milk has further improved.

Breeding results for calves and piglets had the same standards as in the first half of 1988.

Animal losses of pigs were reduced in general. Reserves are to be tapped more intensively so as to reduce losses of cattle. This particularly applies to the bezirks of Gera, Dresden, and Rostock, where losses have increased considerably.

The following livestock was available on 31 May:

	Number of animals in 1,000	
	1988	1989
cattle	5,783	5,792
of which, cows	2,017	2,013
pigs	12,134	11,840
of which, sows	1,093	1,084
young pigs	2,948	2,824
sheep	3,045	3,012
of which, ewes	926	912
laying hens	25,226	25,028

From the individual production of cooperative peasants and workers, members of the Union of Small Gardeners, Settlers, and Small Livestock Breeders, and other small producers, 5 percent more slaughter pigs and 12 percent more fresh vegetables were purchased than during the first half of 1988.

Because of the extremely dry weather in May and June it was necessary to irrigate important agricultural crops. The cooperative peasants and workers of the agricultural producer cooperatives, horticultural producer cooperatives, and state-owned farms made great efforts to use the available irrigation facilities in several shifts and to tap additional water reserves and to use additional methods of irrigation. Together with their cooperation partners, the working people of the amelioration sector reconstructed existing irrigation facilities on 34,094 hectares and built new irrigation facilities on 9,060 hectares of arable land. These are 58.6 percent of the annual target. During the first half of 1989 a total of 251,100 tonnes of fresh vegetables were purchased. These are 46,800 tonnes in excess of the plan. However, this was not able to compensate for the losses in lodged vegetables. The still existing unjustified differences in vegetable yield have to be overcome.

The close cooperation of science and practical work, in particular the application of key technologies, is reflected in plot-related maximum-yield concepts and animal-shed related maximum-performance concepts.

An expression of the increasing application of scientific-technological progress are, for instance:

—the application of computer-aided soil and stock management and the production control systems in livestock production, for warehouses and greenhouses;
—the speedy implementation of efficiency-promoting solutions, such as liquid fertilization of grain and subsoil fertilization [Unterfussduengung] of corn;
—the use of biotechnologies to increase soil fertility as well as for crop and livestock breeding and in fodder production.

At present the socialist agricultural enterprises have 2,300 office or personal computers.

The working people of the agrotechnical enterprises raised performances for maintenance by 1.4 percent.

The plan for in-house production of rationalization equipment was overfulfilled. Rationalization equipment worth M964.5 million was produced, that is 7.3 percent more than during the first half of 1988.

The working people of the foodstuffs industry overfulfilled production of finished goods for the population and guaranteed stable supplies with increasing quality. The contractual obligations toward trade were fulfilled. The production plans for meat, butter, sugar, as well as skins and furs were exceeded. More reconstruction measures are carried out in the state-owned meat and refrigeration industry as well as in dairy enterprises.

In the combines of the foodstuffs industry and agrotechnology the plan of net output and industrial goods output was overfulfilled.

In the state-owned enterprises of agriculture and the foodstuffs industry overall prime costs per M100 of goods production were reduced by 0.4 percent.

The agricultural production cooperatives and state-owned farms of crop and livestock production and their cooperative facilities made an increasing contribution to improving housing conditions in the rural areas. During the first half of 1989 7,659 apartments were newly built or modernized with the help of agricultural building facilities.

An essential share in the results of agriculture, forestry, and the foodstuffs industry have the young cooperative peasants and workers. They are accomplishing great achievements in the "Livestock Production" FDJ campaign as well as in the "Irrigation" youth project and the "Healthy Forest" FDJ campaign. The "Economical Use of Fodder" FDJ campaign achieved a benefit of M45 million.

Forestry provided 5.5 million cubic meters of rough timber in the required ranges to the national economy. These are 447,000 cubic meters in excess of the plan. The envisaged targets were reached by producing 3,873 tonnes of raw resin. Consumer goods production rose by 10 percent.

During the first half of 1989 21,400 hectares were afforested, including 2,500 hectares in environmentally damaged forest areas that were afforested with more smoke-resistant kinds of trees. The care for 70,000 hectares of wood contributed to greater order and cleanliness in the forests.

Because of the long-lasting drought there were numerous forest fires, in particular in the central bezirks of the republic, which destroyed more than 550 hectares of forest.

VI. Transportation, Posts, and Telecommunications

The working people of the transportation sector fulfilled the transportation requirements of the economy and the population. The planned costs were exceeded. Unit input of transportation was reduced by 4 percent in the national economy according to plan.

The railroads carried 172 million tonnes of goods, including 138 million tonnes in domestic transportation. The focal point was the transportation of coal and coke, as well as of construction material, amounting to a total of 89 million tonnes.

Economical transportation technologies were applied more comprehensively. More than 70 percent of solid fuels and construction materials were transported in complete trainloads directly from the producer to the

consumer. Performance in container transportation increased by 3 percent. A total of 60 electric locomotives, 982 freight cars, and 1,450 large containers were newly put into service.

The collectives of the "Electrification of Railroad Tracks" central FDJ youth project electrified 132 km of track according to plan. The electrified network was expanded by the sections Eilenburg-Mockrehna-Falkenberg, Zuessow-Wolgast, and Stralsund-Sassnitz/Mukran/Binz. Thus, another north-south connection has been fully electrified. The Stralsund converter station was put into operation. For the first time more than half of goods haulage by train was carried out with electric trains.

Repairs of 2,840 km of railroad tracks were carried out according to plan. The construction work concentrated on the Berlin outer ring and on the sections Lutherstadt-Wittenberg-Halle, Rosslau-Leipzig, and Berlin-Stralsund. This caused temporary problems in passenger and goods transportation.

Inland navigation transported 9.9 million tonnes of goods. That is 6.6 percent more than during the first half of 1988.

In inland road freight transportation the goods transportation volume rose by 2.1 percent. Performance in border-crossing transportation rose by 2.4 percent. The requirements of foreign trade were fully met.

Maritime navigation transported 7.2 million tonnes of goods. That is 4.8 percent more than during the same period last year. In railroad-ferry traffic between the GDR and the USSR the goods transportation volume rose by one-third to 1.6 million tonnes.

Public means of transport carried 11.5 million people on average per day. In order to improve passenger transportation, 785 new buses and 91 new passenger railroad cars were put into service. In developing the transport system for new residential areas, the requirements of the economical use of energy and of environmental protection are taken into account by primarily using electric means of transport. After the completion of the work to extend the Berlin E Subway, service was started on the entire section from Alexanderplatz to Hoenow. New streetcar sections were completed in Gera and Goerlitz.

The working people of the posts and telecommunications sector ensured the supply of news and information to the national economy and the population. Performance increase amounted to a total of 2 percent, including 2.6 percent in telephone and telex communications. The planned costs were undercut and were reduced by 0.9 percent compared with the first half of 1988. During the first half of 1989 26,000 main telephone hook-ups were established.

A total of 350 counter terminals and other CAD/CAM stations contribute to better service to the customer at the post office counters and to rationalizing the operational processes.

By putting into service additional ultrashortwave transmitters as well as transmitter facilities, reception of GDR radio and television was extended, in particular in the bezirks of Magdeburg and Cottbus.

VII. Development of the People's Material and Cultural Standard of Living

On the basis of the increased capacity of the national economy, the people's material and cultural standard of living was ensured and expanded according to plan.

In implementing the housing program, the core of the social policy, housing conditions improved for 308,000 citizens.

During the first half of 1989 101,605 children were born.

Personal available income of the population rose by 3 percent.

Retail trade turnover increased by 4.3 percent. This corresponds to an increase by M2.6 billion. Supplies of staple food were reliably ensured at stable consumer prices. Turnover of luxury foods and beverages increased by 6.8 percent.

Increase in the quantity of the supply of essential and nonessential foods and beverages compared with the first half of 1988:

	as percentage
meat, meat products, and sausages	100
fat cheese and cottage cheese	103
fish and fish products	101
fresh fruit	112
nonperishable cakes and biscuits	104
cocoa and chocolate products	102
soft-drinks	120
sparkling wine	112

The existing regional differences indicate that the opportunities for increasing domestic production of vegetables, fruit, and other fresh goods are not fully exploited in all kreises. These reserves have to be tapped by means of one's own higher performances.

Turnover of industrial goods increased by 6.4 percent. Thus, sale of shoes and leather goods rose by 4.9 percent, that of furniture, fancy goods, and sports equipment by 7.6 percent; that of technical products and vehicles by 14 percent; that of chemical household products by 5.1 percent; that of fabrics, ready-made clothes, hosiery and knitted goods by 2.7 percent; and that of durable and

expendable household goods by 4.6 percent. A total of 12.3 percent more of luxury commodities were bought by the people than during the first half of 1988.

The newly developed and further developed products that were supplied during the first half of 1989 include reflex cameras, double-deck stereo tape recorders, the "Kompakt" automatic washing machine, freezers, the "Wartburg Tourist 1.3" passenger car, the "Color 40" color television set, the SR 50/1 and 80/1 Simson motorcycles, as well as textile products made of newly developed fabrics.

Increase in the quantity of supply of goods from domestic production and imports compared with the first half of 1988:

	as percentage
color television sets	110
men's and women's watches	111
hand vacuum cleaners	107
blenders and stirring machines	108
electric stoves	122
passenger cars	121
hosiery	110
knitted underwear, nightclothes, and knitted sportswear	107
knitted outerwear	104
training clothes	112
road shoes	103
strollers	104
paints	109

The combines and enterprises of the national economy provided finished goods worth M1.4 billion in excess of the plan for supplies to the population. In this connection, the pledges initiated by the Karl-Marx-Stadt Bezirk SED leadership for the additional production of high-quality consumer goods that are in high demand among the population; all bezirks joined in these pledges.

In some combines, such as in Berlin and Loessnitz Outerwear, Weissenfels Shoes, Ribnitz-Damgarten and Dresden Furniture Combines, as well as Suhl Industrial Association for Motor Vehicle Construction (IFA) Two-Wheel Vehicles, it is necessary to intensify the efforts to fulfill the contracts and to quickly eliminate existing backlogs in delivery.

It is necessary to ensure the fulfillment of the planned tasks in line with the required ranges, both referring to the thousand everyday little items and to high-quality products. This requires a reliable supply of the necessary spare parts.

Services and repairs for the population rose by more than 5 percent, including private car maintenance by 7 percent, repairs of furniture and upholstered goods by 6 percent, photographic services by 17 percent, and shoe repairs by 9 percent. In particular concerning private car repairs, shoe repairs, repairs of hosiery, production and repairs of clothes, repairs of umbrellas, as well as of furniture and upholstered goods, it is still necessary to further increase performances and quality and to shorten waiting times.

The network of service facilities and places where articles for repairs are accepted was further expanded. At present more than 300 "Service Houses" are providing comprehensive services in the kreis and bezirk towns.

The production cooperatives and private craftsmen are carrying out more than two-thirds of all services and repairs for the population and increased this performance by 6 percent. During the first half of 1989 more than 2,900 licenses for new crafts enterprises were issued. In particular among butchers, hairdressers, tailors, and car mechanics the number of private crafts enterprises further increased in the interest of better supplies to the population. In this respect the local state organs have to make greater efforts so as to increase the number of crafts enterprises of bakers and shoemakers.

The performances of municipal services rose by 6 percent.

In the public education sector, the standard of education and training work was purposefully raised. The Ninth Pedagogical Congress drew up a balance sheet of 4 decades of successful education policy in the GDR and, at the same time, it provided guidelines for the further perfection of the socialist school and the other public education institutions.

Kindergarten or day nursery places are provided for all children of the respective age groups if their parents so wish.

The polytechnical character of the secondary school was further developed. In polytechnical training, pupils of the seventh to tenth grades acquire practice-oriented knowledge and skills under enterprise conditions. More than 39,000 full-time and part-time teachers provide comprehensive knowledge of productive work to the pupils. In 5,900 youth initiation ceremonies 168,000 girls and boys promised to dedicate all their strength to the further strengthening of their socialist fatherland.

Vocational training of apprentices is taking place in 955 vocational schools and more than 3,500 training facilities of the enterprises. All school graduates are given apprenticeships or places for studies, and after they have completed their training they are given a secure workplace. More than 53,000 teachers, auxiliary teachers, and educators in boarding schools, as well as tens of thousands of teachers for skilled workers are training and educating the young skilled workers. There are about 750 computer rooms at the vocational schools. Thus, 76 percent of all apprentices are guaranteed training in basic information technology. Vocation-specific training in information technology has been started for selected

vocations. More than 36,000 apprentices are participating in scientific-technological working groups, including about 24,000 in "information technology" working groups.

The standard of practical vocational training of the apprentices has increased further. A great role is played in this connection by training under production conditions. More than half of all apprentices receive part of their practical vocational training in youth brigades. Almost all apprentices achieve skilled workers performances at the end of their training. At the training sites places in 1,315 apprentice hostels are available to the apprentices.

In advanced training about 1.9 million working people increased their special professional knowledge and skills, including more than 276,000 working people primarily in the fields of the key technologies and to prepare for changed working conditions. An effective contribution to the qualification of the skilled workers and master craftsmen was made by the about 4,300 professional teachers in 740 enterprise academies and 560 basic and advanced training departments of enterprise schools, as well as the about 84,000 experts, who work as part-time teachers.

In the university and technical school sector the efficiency of teaching, research, and studies was increased. The restructuring of study places was continued. Progress was made in particular in independent scientific work as well as in the promotion of talented students. The new teaching programs for basic Marxism-Leninism studies was introduced into university and technical school education with many initiatives.

The training of engineers and scientists has become a firm part of technical school training in 28 professions. In more than 250 computer rooms at universities and colleges as wells as in corresponding facilities of the enterprises, the students were trained in information technology and modern computer technology was efficiently applied in practice.

Close cooperation with combines and institutions was further expanded. Research cooperation increasingly contributes to realizing practice-oriented training and education of students and young scientists as well as the use of the graduates in line with their studies and also has a beneficial effect on the colleges' work in advanced training.

In the health and social sector basic medical care and preventive health care were improved.

The number of doctors and dentists rose to about 54,600. Particular efforts were dedicated to care for the citizens by their family doctors.

A higher number of highly specialized treatments were carried out. During the first half of 1989 5,000 artificial hip joints were implanted, and 1,300 cases of open heart surgery and 150,000 cases of treatment with artificial kidneys were recorded.

All kreises of the republic are included in the Rapid Medical Aid program.

In industrial medicine, more than three-quarters of all working people were taken care of by the enterprise health system. A total of 170,000 citizens received therapeutical, convalescence, and preventive treatment, primarily shift workers, working mothers, and working people who work under more difficult conditions.

Good conditions for the care and attendance of children under 3 years are provided by 355,500 places in nurseries. More than 141,000 places in old-age and nursing homes are available for veterans of work.

A total of 22,000 mentally and physically handicapped children and adolescents are cared for and promoted in special institutions. A total of 43,500 places are available for handicapped citizens and people undergoing rehabilitation in protected workshops of the health and social sector and in enterprises.

The "GDR 40 Sports Relay" initiated by the German Gymnastics and Sports Federation provided new stimuli for the further development of the mass character and the performance level of physical culture and sports. A total of 1,300 children and young people participated in the competitions of the 12th children's and Youth Spartakiade in the olympic winter sports disciplines and almost 1 million children and young people participated in the kreis spartakiades in the summer disciplines.

At world and European championships the GDR athletes won 18 gold medals, 26 silver medals, and 22 bronze medals.

In the competition in honor of the 40th anniversary of the founding of the GDR, the Society for Sports and Technology completely fulfilled its tasks of premilitary training and achieved greater impact in defense sports. More than 65,000 got their driver's license at the Society for Sports and Technology.

Intellectual and cultural life has become more varied and richer.

With a view to the preparations for the 40th anniversary of the founding of the GDR, important events took place in various fields of the arts, such as the GDR Congress of Entertainment ARts, the Second GDR National theater Festival, the 12th Berlin Music Biennial, and the Sixth National Festival of Children's Films in Gera. The "Days of Arts" in Berlin and in Halle Bezirk were received with great interest by young and old.

The Seventh Festival of Sorb Culture in Bautzen was an impressive socialist festival of friendship among peoples and of youth. In more than 300 events 13,000 professional and lay artists presented the rich treasure of Sorb culture and arts to the about 150,000 visitors.

By paying tribute to the 100th birthday of Ludwig Renn, the work for the integration of the antifascist and socialist artistic and cultural heritage was continued.

The 1989 Shakespeare Days in Weimar in April were characterized by the 125th anniversary of the Weimar German Shakespeare Society, the oldest literary association on the European continent.

The varied preparations for the 500th anniversary of the birth of Thomas Muentzer provided important stimuli for the cultivation and transmission of revolutionary traditions.

As one of the culturally and historically most valuable church buildings in the northern GDR, St Nikolai Cathedral in Greifswald was reinaugurated after comprehensive reconstruction and renovation.

The steadily increasing cultural exchange with many states in the world contributed to promoting the ideas of peace. The International Book Arts Fair in Leipzig became the largest ever world exhibition of beautiful books. The exhibition presented about 10,000 books and graphics from 91 countries.

The GDR publishing houses published 2,900 titles with a total circulation of 66 million books and the German Records state-owned enterprise produced 10 million records and tapes.

The GDR press, radio, and television increasingly contributed to meeting the people's demands for information, entertainment, and education.

VIII. Foreign Trade

During the first half of 1989 the GDR foreign trade turnover totalled 83 billion valuta marks. The GDR achieved an export surplus of more than 2 billion valuta marks.

The fulfillment of the long-term obligations incurred with the CEMA countries led to a further deepening of the economic and scientific-technological cooperation. More than two-thirds of the GDR's foreign trade is conducted with the USSR and the other socialist states. Foreign trade with these countries amounted to 58 billion valuta marks.

The USSR is the GDR's biggest trading partner, with a share of about 40 percent in the overall turnover. The exports to the USSR planned for the first half of 1989 were fulfilled. Great efforts have been directed at fulfilling the export tasks in line with the contracts. As a result of the implementation of the agreements concluded at the working meeting between the general secretaries of the Central Committees of the SED and the CPSU, Erich Honecker and Mikhail Gorbachev, in September 1988, cooperation between the GDR and the USSR is developing very intensively. In line with the agreements, cooperation between the two states focuses on the development, comprehensive application, and economic utilization of the high technologies, such as the development of highly integrated circuits, 32-bit microprocessors, digital communications technology, automatic manufacturing technology, and modern materials.

"Zentron," the first joint enterprises of the USSR and the GDR on USSR territory, which was established at the 1989 Leipzig Spring Fair for the development, delivery, and maintenance of software and data processing systems and is based in Kalinin, started its work.

At present there are more than 160 agreements on direct relations between the enterprises and combines of the GDR and the USSR. The about 13,200 GDR working people, who are working in the USSR on the "Natural Gas Pipeline" central youth project, achieved good results during the first half of 1989. They laid 140 km of natural gas pipeline and 14 km of probe tubes and completed a compressor station, 312 apartments, two communal facilities, and one deep drilling project. Work at the Karachaganak natural gas reservoir in northern Kazakhstan took place according to plan. The GDR collectives contributed to the building of the "Krivoy Rog" mining and processing combine.

The contractual bases of cooperation with other socialist countries were further expanded. Thus, an additional agreement to increase the transit of Soviet natural gas has been concluded with the CSSR.

Based on socialist economic integration with the CEMA countries, the economic relations with the states of the nonsocialist economic area were further developed on the basis of equal rights and mutual benefit. The enterprises and combines made great efforts to develop the structure of their production, the quality of the products, and the service to customers in line with the international standards. Progress was made in particular in machine-tool building, printing machine building, textile machine building, and in precision mechanics and optics in close connection with electrical engineering, and in glass and ceramics industry.

An important economic event in the 40th year of the founding of the GDR was the Leipzig Spring Fair with about 9,000 exhibitors from all continents. Under the motto "For trade open to the world and for technical progress," it was again a center of trade that links people among each other in the interest of peace.

The balance sheet of the first half of 1989 convincingly proves that, in line with the basic guidelines given at the seventh SED Central Committee session by Erich Honecker, general secretary of the SED Central Committee, the course of the unity of economic and social policy for the welfare of the people and for peace is being successfully continued. The working people in town and countryside are giving their best to implement the decisions of the 11th SED Congress and thus for the good preparation of the 12th SED Congress. They have made the party's policy their own matter in line with the concurrence of word and deed.

Entirely in the spirit of the decisions of the eighth SED Central Committee session, the working people's initiatives in the socialist competition are aimed at generally fulfilling the 1989 national economic plan and at purposefully overfulfilling it. In this connection, in the interest of good supplies to the population and the national economy and for solving the export tasks, high labor productivity, efficiency, and quality with decreasing costs and production in line with the contractual requirements concerning quantity, ranges, quality, and value are necessary. By means of further deepening intensification, it is necessary to increase the contribution of each individual combine and enterprise to the growth of the national income. The path to guaranteeing high dynamism and stability of the national economic development is outlined by the 10 focal issues of the economic strategy. The ever closer linking of the advantages of socialism and the achievements of the scientific-technological revolution in the interest and for the benefit of man is in the foreground.

In the 40th year since the founding of the GDR, the working people are proceeding toward the 12th SED Congress with initiatives and creative energy and in a broad popular movement. In a climate of trust and firm affinity between party and people, they are strengthening their socialist fatherland with new deeds, and are thus strengthening the positions of socialism and of peace.

Nyers Visits Gyor, Briefed by County Official

LD0108125489 Budapest MTI in English 1111 GMT 1 Aug 89

[Text] Budapest, August 1 (MTI)—Rezso Nyers, president of the HSWP [Hungarian Socialist Workers Party], paid a visit to Gyor (NW Hungary) on Tuesday.

Mr Nyers was briefed about the county's social, economic and political developments by Laszlo Lakatos, first secretary of Gyor-Sopron County Committee of the HSWP.

Subsequently, Mr Nyers visited Graboplast, a cotton-weaving and leatherette-producing factory in Gyor.

In the afternoon, Mr Nyers is scheduled to visit Gardenia, a factory which produces lace curtains, and will go on to meet party activists at county party committee headquarters.

Nyers Holds News Conference

LD0108222189 Budapest Domestic Service in Hungarian 1630 GMT 1 Aug 89

[Text] [Announcer] Rezso Nyers, chairman of the Hungarian Socialist Workers Party [MSZMP], has visited Gyor. He spent part of the day by familiarizing himself with the methods of local movement-work and with the preparations for local elections. He then went to two factories, where management problems were discussed. Upon the conclusion of the factory visit, Rezso Nyers held a press briefing, on which Sandor Forgacs reports.

[Forgacs] In connection with the elections, he was asked: Tomorrow he is traveling to Kecskemet. Will he canvass there for the MSZMP candidate in the National Assembly by-elections on Saturday?

[Begin recording] [Nyers] I do not like that word. I shall not speak in favor of a personality, but I wish to make the MSZMP's policy understood, to explain it, so far as I am able to do so, and also to explain the extent to which the MSZMP can be at the service of the country, the nation.

I am going there because there are phenomena, opinions, which are also voiced openly, to the effect that the electors must vote against the MSZMP. Well, this is a very serious misunderstanding of the past, the present, the country's interest—that is what I wish to express. [end recording]

[Forgacs] A correspondent from MAGYAR HIRLAP asked:

[Begin recording] [Correspondent] Is the MSZMP of the view that it does not matter when the elections are held, since this was said at one time; or is this date somehow taking shape at the (?national) roundtable?

[Nyers] Please, I would not describe the MSZMP's standpoint as being complacent. I would describe the MSZMP's standpoint as being tolerant; that is, it can accept an earlier or later date. One thing is important for the MSZMP: that a relationship take shape between it and the part of the National Assembly that serves the future, the constitutionalization process, and the elections, so that a political vacuum does not come about. Thus, the National Assembly should function creatively by enacting good laws, until the elections. [end recording]

[Forgacs] A correspondent from NEPSZAVA was curious as to the opinion of the party chairman regarding the just-published public opinion polls. According to the poll, his popularity index has decreased somewhat and Miklos Nemeth has overtaken him. Here is the reply:

[Begin recording] [Nyers] Please, I do not have absolute confidence in current public opinion polls, but if my popularity index decreases to the benefit of Miklos Nemeth, then I welcome it, because I am already on my way out while he is on his way in. That is the main thing for the party. [end recording]

Grosz Discusses Relations With GDR, Policies

AU3107155589 East Berlin NEUES DEUTSCHLAND in German 29-30 Jul 89 pp 5-6

["Preprint" of interview with Karoly Grosz, general secretary of the MSZMP Central Committee, by "NBI" and "to be published in NBI No 32/89": "Wide Range of Relations Between Hungary and the GDR for Mutual Benefit"; place, date not given]

[Text] [NBI—presumably NEUE BERLINER ILLUSTRIERTE] If you were to outline bilateral relations between the two countries in a few words—let us say on a visiting card—what would you stress?

[Grosz] Key words: The basic equality of views in questions concerning the socialist world order and of the view that the socialist society can be implemented while recognizing national conditions and particular features. A wide range of fruitful economic and cultural relations. Friendly, human contacts resulting from cooperation between enterprises and tourist traffic. Diverse relations based on mutual benefits.

[NBI] You visited our country 1 year ago and had talks with Erich Honecker and numerous economic experts. How do you evaluate the topical stage of relations? In what fields can Hungary and the GDR become attractive economic partners in the long run?

[Grosz] As I already said, the political, economic, and cultural relations between the GDR and Hungary are wide-ranging and balanced. There are also great traditions in our economic cooperation. All this is the basis for further development. Every day the socialist world

order faces constantly new economic and social challenges that result from development. Both of us are interested in theoretically substantiating answers, as well as developing and implementing practical ways. In plain words: In scientific research, in the development and application of new technical solutions, there are many opportunities for cooperation that can be used by the two countries.

In my opinion, there are economic reserves above all as regards the extension and development of relations between the enterprises and the establishment of joint ventures. Such reserves also exist in bilateral travel. Hungary is open; every year more than 10 million tourists come to our country. We like foreigners, among other things because a major part of the country's revenue comes from tourist traffic, but also because it is in our interest for people in other countries to get an appropriate impression of us. The Hungarians are also called a traveling nation by other countries, and this is true. As a private person, I also like to hear one of my family members or one of my friends who has visited your country talk about the new renovated Nikolai quarter in Berlin, the beautiful lakes surrounding it, the Baltic Sea, or the Ore Mountains. It is our intention to make a similar impression on tourists returning home from Hungary. In my opinion, on both sides there are opportunities to develop tourism in our countries.

[NBI] Comrade General Secretary, in its commentaries the Western press occasionally draws the conclusion that Hungary no longer takes its commitments to the Warsaw Pact so seriously. What would you say to such assertions? What are the initiatives with which Hungary wants to participate in the creation of a European peace order?

[Grosz] What the Western press thinks about Hungary is one thing. Apparently, the fact that my homeland is connected with other countries by comprehensive political and economic relations lies behind such assumptions. It is also true that certain statements which raised the question of whether Hungary can be conceived as a neutral state became publicly known. My answer is: Hungary is a committed member of the Warsaw Pact, while it advocates the simultaneous dissolution of the systems of military-political alliances and presses for the modernization of the Warsaw Pact and the revival of its political activity. In accordance with the Helsinki process, Hungary is ready for cooperation with all countries and supports any effort that serves peace and cooperation between the nations of Europe and the world.

[NBI] What rights are guaranteed to the ethnic Germans in Hungary by the nationality policy?

[Grosz] In Hungary the rights of the nationalities are settled in every respect. In this connection, we are now preparing a separate, modern nationality law. The laws guarantee the same rights to every Hungarian citizen. In addition, our state supports the members of ethnic minorities living in Hungary. We do so because we are aware that the ethnic groups are part of our history and that their languages, their cultural and artistic traditions, adorn and enrich our joint culture. The state supports instruction in the ethnic groups' mother tongues, their cultivation, and the publishing of books. The children can learn in schools for ethnic groups and read in libraries for ethnic groups. There are a few hundred ethnic group ensembles in the country.

The GDR Culture and Information Center in Budapest is extremely popular in our country. I want to stress the close relations the directors and employees of the institution have developed with the enterprises and brigades in the smaller and larger settlements of our country. The center greatly supports language instruction and helps to make known today's political, economic, and cultural life and the aspirations of the GDR.

[NBI] In an interview for NEPSZABADSAG you pointed out that it is imperative for the Hungarian Socialist Workers Party [MSZMP] to present a long-term program for building socialism in Hungary. On what should it focus?

[Grosz] The innovation of a Hungary that is building socialism is a intricate and complex task. Our homeland, like other socialist countries, is struggling with the problems of the modernization of society, politics, and the economy. Unfortunately, there is no formula for the solution of the problems. We ourselves have to find the solution that corresponds to Hungarian conditions and particular features. Of course, international experiences, the experiences of the socialist countries, are a great help. Our long-term program is very complex, therefore I will point out two types of relations: political and economic. The stabilization and the upswing of Hungary are only possible if political and economic reforms are consistently implemented. However, this is not only the task of the MSZMP, but of the whole society.

At the national party conference in May last year we defined the basic steps of our reform policy. As a consequence, a comprehensive process of democratization started in society. Organizations which express the interests of small and large groups of people were created, and new political parties were established. By the way, the multiparty system is not unique in the socialist world, after all; there are, for example, several political parties in the GDR. Marked by consensus, the MSZMP offered to cooperate with these organizations. In parallel with democratization, the party suggested the creation of the legal guarantees for the work of these organizations. The party was inspired to intensify this process by its findings from 4 decades that there may be and must be different opinions in the assessment of innovation and economic and social tasks. For development can only take place via discussions.

[NBI] Does the MSZMP have a uniform economic strategy and what basic principles are contained in it?

[Grosz] Hungary has such a strategy. Our first and fundamental objective is stability or, in other words, the creation of a balanced budget, balanced foreign trade, and solvency. While fulfilling these significant tasks, we want to implement a program of economic and structural reorganization by which Hungary will catch up with the developed countries of Europe and the world. Time is required for this project, the people will have to make many sacrifices. For the implementation of these tasks will take many years, maybe decades, while the people will have to carry the burden. However, this is imperative if, starting from a higher level, the next generation is to further develop our socialist society.

[NBI] Hungary transacts half of its foreign trade with CEMA countries. The other half is transacted with capitalist industrial states and developing countries. Lately, you have also permitted foreign investments in Hungary. What are the consequences of such a reform process for the development of forms of ownership in the country?

[Grosz] Hungary is open, more than 50 percent of its production is realized via foreign trade. This is largely due to the country's special position, the structure of its industry, and its history. It is the MSZMP's intention to set a course for Hungary which is characterized by economic reforms and which brings about an economic change in structure by the far-reaching assertion of offers, demands, and market conditions and enables it to catch up with the developed countries. Maybe it is no exaggeration to say that this is a historic task. In order to implement it, views have to be considerably changed and the interest of the people, of the producers, has to be aroused.

Certain imbalances are characteristic of our economy, and the level of foreign debt is a burden for our country. We expect foreign investments to produce a partial balance, but also a more dynamic structural change.

It is difficult to provide a short answer to the second part of your question, which concerns the forms of ownership. It is not an easy task to assess what is purely capitalist and what is socialist or, put differently, joint ownership. To a certain degree this requires a new look at things. In the GDR—you know that better than I do—there exists a time-tested system of relations between the socialist enterprises and the small and medium-sized private enterprises. I can even give you another example. In Sweden, and this is generally known, more than half of the population's money has been put into social insurance institutions. These circulate the capital, use it, and those who paid in the money benefit from the gains in some way or other. We are thinking about similar solutions. I think that it does not make much sense to compare at all costs the capitalist forms of ownership and the socialist conditions of production. It is much more useful to study possibilities of bringing about a kind of cooperation between the differing "forms of ownership" that exist in society, which would be profitable for those parts of the community that are interested in it. Several mixed enterprises are already operating in Hungary in which the small industrial sector and the state and cooperative sector complement one another very well in the production of goods, and in which foreign companies also participate.

[NBI] What is the MSZMP's approach to the 1990 parliamentary elections which, due to the emergence of new parties, will be held under different conditions than earlier elections?

[Grosz] First I would like to state that the MSZMP wants to win the next local and parliamentary elections, which are due before long. It is necessary to say this because a multiparty system is currently emerging in Hungary in which several new organizations and parties reflect really differentiated social interests. The MSZMP supports the process of democratization, which created the basis for the formation of these parties and which is ready to cooperate with all those who want to serve socialism and the improvement of our country. However, it also expects that it will have to share power with other parties. I formulated the principles of the MSZMP program in the following way in my speech on 1 May, the holiday of the working people: socialism, democracy, recovery.

[NBI] Would you tell us a few details from your biography? How come you have a surname of German origin?

[Grosz] There is no secret in this. We have a tradition in our family: My father was a turner, a worker, and an illegal communist. I joined the party and became a communist in 1945, more or less still as a child. I was 15 years old at that time. My father's name was Grosz. On my father's side my family is of German origin. In the 18th century my family settled on Hungarian soil. Why should I have opted for a different name?

Originally, I was a printer by profession. In 1945 I learned typesetting in Miskolc. Later I worked there as editor in chief. Honestly, these years influenced me; and to this day I am amicably disposed toward the press and the journalistic profession. Whatever questions journalists ask me, I feel never offended, even when they touch on more delicate topics from time to time.

Today even the press is undergoing a change and is becoming more democratic, open, critical. Every now and then this causes problems, because the press is not always objective and tolerant in this period of transition. Nevertheless, it has the most difficult role to make the Hungarian reform process public and understandable.

[NBI] In his poem Nemzeti Dal (National song), the Hungarian national poet Sandor Petofi declared his support for the deeds of the fathers, before which the children can bow with awe. Today a new generation is

being raised in Hungary which demands a high standard of living. As a realist, do you think that a quarter of a century is sufficient to satisfy this demand in the sense of Petofi.

[Grosz] I would like to answer the last part of your question first: A quarter of a century has to be sufficient. I hope that the generation that comes after us will understand and pay tribute to our efforts. We have now decided to build a modern society with new ideologies and new contents. We have to struggle on several fronts at the same time. First, against ourselves, because we have to free ourselves from our conservative attitude. We have to make society and even the other countries understand our efforts and convince them of their worth. Many things have happened during the past 15 years. To me these have been the greatest changes of our 4 decades. If I were to resign tomorrow, I would feel highly gratified to have been the nurse at the cradle of a child that is raised as the new Hungary.

Opposition Deputy Gabor Roszik Views Reforms

AU3007204889 Vienna WOCHENPRESSE in German 28 Jul 89 pp 36-37

[Interview with Gabor Roszik, "Hungary's first opposition deputy," by Emese Kovats in Godollo: "Away With Socialism"; date not given]

[Text] WOCHENPRESSE: Last Saturday [21 July] you were elected to the Hungarian Parliament as the first opposition deputy. Why did you actually run for this office?

Roszik: After the Democratic Forum had been founded on 3 September 1988, we decided to form a local group in Godollo. I have been a founding member since October 1988. I wanted to finally participate in a legal way in changing the policy for the benefit of the country.

WP: How did your nomination come about?

Roszik: Godollo and Isaszeg were represented by an old deputy in Budapest. She advocated the hard Kadar line and was unacceptable for us. According to Hungarian law, it is possible to recall a deputy. For this purpose, one needs the signatures of 10 percent of the population. Within 24 hours the Democratic Forum acquired far more than the necessary 2,7900 signatures—4,688. With this we wanted to force new elections in Godollo. However, this was not necessary in the end, because the deputy could not bear the pressure and renounced her office.

WP: Were you also supported by other opposition groups?

Roszik: Together with the Democratic Forum, the rather Catholic FIDESZ also decided in favor of my candidacy. Then there was the SZDSZ (Free Democrats), which was newly founded in Godollo and to which I belong.

WP: The turnout in the three other towns (Szeged, Kecskemet, and Kiskunfelegyhaza) was too small for a single ballot. Only Godollo was able to push through its candidate. What was the reason?

Roszik: The dynamism in Godollo is still continuing. But unfortunately, the people are tired of the continual elections, they are also afraid of the power apparatus when they cross out the names of the Communist Party candidate. Then there is the fact that the government deliberately chose a day during the vacations as election day. And there is another important factor: There was no compulsory voting. It is a completely new feeling, a new right, not to go to the ballot, which the people exercise even if it is—objectively speaking—bad for them.

WP: A future election success of the opposition will thus strongly depend on the voters' motivation?

Roszik: Concerning the planned elections next May we will have to do everything so that the first ballot does not end without a result. We have to take the people's fear away.

WP: So far the church has kept its distance from politics. Does it now intervene?

Roszik: Unfortunately, the churches have not kept their distance from politics for decades. In the end, they even supported the Communists. With the votes of their representatives in Parliament they supported the Communist Party's policy.

WP: Which church do you mean? You are a protestant....

Roszik: I did not run as a candidate of the protestant church. My church has not in any way supported or encouraged me. On the other hand, it did not do anything against my candidacy, either. It tolerated me. In the voters' eyes my position as a protestant clergyman was certainly a big advantage.

WP: The new constitution, in which the churches are to participate, envisages a description of the churches' position.

Roszik: In my view, the Department for Church Policy should—if it has to exist at all—be transferred to the Education Ministry and take over purely a coordinating function, apart from state support of the religious communities. Issues of church policy have no place in the state. Concerning the anchoring of religion in the Constitution, the phrase that it is a basic human right of all people, regardless of religion, ethnic origin, or nationality, is sufficient. A right to life.

WP: What can you now do for your voters as the only opposition deputy in Parliament?

Roszik: Most of the things I can do I have already done. I ran for the office and I was elected. I am the only real deputy in Parliament, because I am the only one who was elected by the citizens in free democratic elections. Therefore, I am one person facing a majority of Communists. As a result I can advocate the results of the latest roundtable talk in Parliament myself and can release Minister Pozsgay from this task.

WP: Why Poszgay?

Roszik: After all, it is absurd that so far Pozsgay has been able to act as the parliamentary representative of the opposition.

WP: It has repeatedly been reported that the government is thinking of continuing the construction of the Nagymaros power plant, if this is less expensive than tearing it down. What is your view on this matter?

Roszik: The opposition and the citizens will certainly not agree to a continuation of construction. Money cannot compensate for the ecological situation and the destruction of nature.

WP: In particular from opposition circles there have repeatedly been voices against the planned joint World Fair in Vienna and Budapest. Are you also against it?

Roszik: The opposition's view is split on this matter. I consider the World Fair a wonderful opportunity for us. However, if we do it, we should do it well. But for this we need money, money, and more money. If it is possible to come to grips with the country's financial situation at least to a certain extent, we should hold the World Fair. In any case, we have to decide quickly.

WP: You yourself mentioned the "split opposition"....

Roszik: Perhaps this wording was not correct. If it were really split, the media that are not in our favor would certainly have picked this up. Of course, there are differences between the individual groups. The programs are just being developed. But if the whole complex is at stake, we noncommunists stick together. The important thing is that we move away from the one-party system.

WP: And then....

Roszik: If we achieve this, socialism will fall. This will be the end of dictatorship. I am not against the social achievements of socialism, but against the excesses that are inherent to the system. Where there is this socialism, the people are badly off. Therefore, away with socialism—out with the Soviet troops, in with democracy! Only then we can quarrel about programs....

EC Officials Hold 27 Jul 'Consultations'

LD2807145889 Budapest MTI in English 1305 GMT 28 Jul 89

[Text] Budapest, July 28, 1989 (MTI-Econews)—Two members of the EC fact-finding mission, Mr John Maddison, counsellor of the General Directorate for Agriculture in the EC, and Mr Thomas de Hora, head of the department in charge of non-EC member countries' matters, held talks yesterday in the Hungarian Ministry of Agriculture and Food.

"Since the EC mission's principal aim was to gather first-hand information on the Hungarian economy, I think that what we had here should be called consultations rather than talks", Dr Tibor Szanyi, a Ministry of Agriculture coordinator in charge of Common Market Affairs, told the press.

"There was no clearly defined result that we wanted to achieve at these discussions, neither was this the purpose of the delegation's coming. We were actually comparing notes on how the western countries could efficiently promote the efforts of the Hungarian economy, and the food economy in particular, to enter a new and more promising course of development.

In fact these talks ran in a parallel way with ones the EC held in Poland. The catchword there was "food aid", whereas in our case it was integration, implying that we need a completely different form of assistance from them." [quotation marks as received]

"By integration we essentially mean opportunities for the Hungarian food economy to link up with the technical, commercial and social structures of western countries. In our case it is a matter of how to best get rid of mass produced products commanding a low price on the world market and replace them with more marketable manufacturing or service activities", Mr Szanyi said.

He added that Hungary needs help to decide which areas of food and agricultural production should be phased out and which developed further. In simpler terms, agriculture needs exactly what the industry does in the way of restructuring.

"We want Hungarian foodstuffs to have freer access to Common Market countries and appreciate also that there should be reciprocity in this matter, that is we should open the Hungarian market for their goods", he said.

Asked how, in the wake of the consultations, he viewed the chances of the Hungarian agriculture and food economy to of [as received] joining Western European integration, Mr Szanyi said he considered them "pretty good".

"The Western countries have clearly taken up the political commitment of assisting the Hungarian economy, and food economy in particular. I do not think anyone could call into doubt the seriousness of that pledge. The way they want to help us is to enable ourselves to help ourselves", he said.

The political will to have the Hungarian food economy into the "blood circulation" of the advanced world as quickly and efficiently as possible, was evident on both sides all through the discussions, Mr Szanyi concluded.

Habsburg To Head Group to European Parliament

LD2807163189 Budapest MTI in English
1406 GMT 28 Jul 89

[Text] Bonn, July 28 (MTI)—Otto von Habsburg, president of the Pan-European Union, one-time heir to the Hungarian throne, has been elected as president of the Hungarian delegation in the European Parliament of Strasbourg. While one half of the body will consist of European parliamentary delegates, the other half is to include Hungarian members of parliament, it was disclosed on Friday to MTI's Bonn correspondent, by the Pan-European press office of Munich.

The Hungarian delegation has been newly appointed, in view of the intention of the Strasbourg Parliament to establish closer contacts, availing itself of the opportunity arising through the process of democratisation taking place in Hungary. Mr Habsburg himself sees important opportunities ahead as president of the delegation, "in suporting to the speedy progression of Europeanization and democratization now taking place in Budapest".

Austrian Radio To Broadcast Via Radio Danubius

LD3107103789 Budapest MTI in English
0918 GMT 31 Jul 89

[Text] Budapest, July 31, 1989 (MTI-Econews)—Starting on Monday, Antenne Austria will be broadcasting an Austrian radio programme, twice a day for 2 hours, via Radio Danubius, Hungary's first commercial radio station.

In Austria, no commercial radio stations are permitted and it will be possible, not only for Austrians spending their holidays near Lake Balaton to receive the Hungarian broadcast, but also those living in certain areas of Austria. The permanent programmer will be Mr Thomas Klock, a popular Austrian radio personality. Antenne Austria is run by Medien Aktien Gesellschaft (MAG) of Austria.

Radio Danubius has tried to establish similar links with other West European firms, but this is the first occasion where talks have reached the stage of signing a concrete agreement to set up a joint venture.

Radio Danubius's senior management have not disclosed the financial terms of the deal, but say that, in addition to the joint broadcast agreement, they have also concluded an advertising contract with their Austrian partner, under which the Austrian party has obtained rights to organise promotion campaigns for them in Austria.

Radio Danubius transmits programmes 12 hours a day, in German between April 15 and October 31, and in Hungarian over the rest of the year. In the German language period, the wavelength is to be given over to the Austrian partner for two hours in the morning from 8 to 10 a.m., and for another two hours in the afternoon from 5 to 7 p.m.

Private Sector To Contribute to TV Funding

LD2907203189 Budapest Television Service in Hungarian 1730 GMT 29 Jul 89

[Text] [Announcer] Because of television's poverty, in the future there will only be plentiful parliamentary roundups because there is no money to continue live relays. This is the decision that was made a few days ago by the institution's leaders. The National Association of Entrepreneurs has now expressed its readiness to cover the costs. Jozsef Hidvegi speaks with their representative.

[Begin recording] [Hidvegi] The essence, put very briefly, is that you do not agree with Hungarian television's decision to end its parliamentary relays, is that so?

[Unidentified speaker] Yes, in the coming months, basic laws drafted from the viewpoint of the economy and entrepreneurs will go before parliament. On the basis of the experience of the past months, I say that we need a presentation to the public of both the government proposals and the deputies' debate.

[Hidvegi] Would you also be willing to contribute money to this?

[Speaker] Yes. Our resolute request is that television should work out what this extra cost amounts to, and afterward, if there is a way to do so, we want to ensure the resources for this.

[Hidvegi] Are the entrepreneurs rich enough to pay for such a [word indistinct] relay?

[Speaker] Unfortunately, not rich enough so that this should not happen. [as heard] [end recording]

Bush Advocates Increased Trade With Poland

LD0108202389 Warsaw PAP in English
1751 GMT 1 Aug 89

[Text] Washington, Aug. 1—President George Bush said that although Poland did not resemble today the world's economically most active states, it was a country with a great economic potential and great development opportunities that it could use by a proper policy of reforms and cooperation with the world.

President spoke in Chicago Monday at a meeting of the National Association of Governors. He said that in their economic activity governors should not limit themselves to developing contacts between states and encouraged them to seek partners abroad.

Addressing governors, George Bush said that as local leaders, taking care of economic development of their region, they could do much, facilitating development of trade contacts of their states with such countries as Poland seeking various forms of economic and trade cooperation. The President added that the governors should open the door and facilitate development of private economic contacts with Poland.

Bush said that Poland was not today an economic potentate as compared with countries of Western Europe or the Pacific region. He said that however when he was in Poland, he witnessed a process of the awakening of that country and that the changes taking place in Poland, both in its economic and political life, were astounding. He said that Americans could support the process of rebuilding Polish economy also without great government programmes of cooperation.

Army Delegation Meets Crowe in Washington

LD0208021589 Warsaw PAP in English
2335 GMT 1 Aug 89

[Text] Washington, Aug. 1—On the first day of their visit here the Polish Army delegation headed by Vice-Minister of National Defence General Antoni Jasinski was received today by head of the Joint Chiefs of Staff Committee Admiral William Crowe, by the committee's vice-chairman Robert Herres and General George L. Butler, head of the organization for strategy and policy planning in the U.S. Department of Defence.

The delegation held talks on developing military contacts between the U.S. and Poland, problems of controlling armaments and disarmament, Polish-American relations, changes in Poland and their impact on the East-West relations. The talks passed in a frank and cordial atmosphere.

Admiral Crowe said that the changes undergoing in Poland are received with applause in the U.S. He added that the U.S. political and military leadership is aware that the events have influence not only on developments in the world and on modelling the East-West relations but also on developments within the Warsaw Treaty.

William Crowe also stated that the Soviet approach towards Poland is a practical confirmation of Mikhail Gorbachev's attitude towards the principle of independent, sovereign process of changes undergoing not only in Poland.

On his part, General Jasinski expressed conviction that the visit starts a new kind of dialogue between representatives of the armed forces of the United States and Poland, that expanding contacts between the military of Poland and the United States should make negotiations on armament reduction easier, strengthen security and positively influence the Polish-American relations.

Further on Sejm; Kiszczak Appointed Premier

Sejm Discusses Government

LD0108221789 Warsaw PAP in English
1337 GMT 1 Aug 89

["Sejm Expected To Name Prime Minister"—PAP headline]

[Text] Warsaw, August 1—To begin today's meeting of the Sejm, Vice-Speaker Olga Krzyzanowski told the deputies that the house had received a letter from the Polish president containing a motion for the appointment of chairman of the Council of Ministers (prime minister). The Sejm decided to add this issue to the agenda and it also inserted the election of standing parliamentary committees.

The Sejm considered prime minister's letter over the resignation of the cabinet. Vice-Speaker Olga Krzyzanowski recalled that the prime minister—demonstrating his respect to the Sejm's right to dismiss the old cabinet and appoint a new one, according to an old parliamentary tradition—notified the first meeting of this Sejm about the resignation of the Council of Ministers. Because of constitutional requirements, the Sejm then decided to wait with that until the president is elected.

Solidarity Deputy Ryszard Bugaj spoke first. He said with sorrow that although there were no such legal obligations, the outgoing cabinet did not use the opportunity to make a self- assessment. However, there are very serious reasons why the Sejm should revise the activities of the government. Question number one is inflation and imbalance that have gained much pace recently. Production declines. Situation in foreign trade is tragic.

Another issue in which the assessment of the government's role is necessary, consists in pathological changes of ownership in the economy. We are having to do with robbery of the national property by groups comfortably situated within the political system.

Polish people also expect the explanation of some exceptionally controversial decisions, first of all, the liquidation of the Gdansk shipyard.

It would be vital to explain whether the present cabinet admits that major mistakes have been done during the recent nine months or whether it represents other opinion. Observing the press statements of Prime Minister Rakowski and Vice-Premier Sekula, one can hardly resist an impression that a current of affirmation predominates there, that, according to the government, the ship of Polish economy is on the right course and it is only a question of time when will it enter a quiet harbour. The situation is totally opposite. The ship is shinking.

All this justifies the motion of the OKP [All-Polish Peace Committee] Solidarity parliamentary club to set up an extraordinary Sejm committee that would consider the responsibility of the government. This committee should also assess whether there are reasons to refer the cases of several persons to the tribunal of state. But the chief aim of the committee should be to produce a diagnosis allowing a joint economic programme in future, Bugaj said. He then appealed to the coalition deputies for making it a jointly supported motion in the interest of the people, to have the atmosphere cleaned.

When nine months ago the Rakowski government announced its priorities, optimism grew in Polish villages, said Deputy Aleksander Bentkowski of the UPP [United Peasants' Party]. In the first period the new government undertook a number of right measures and decisions but its impetus shrank as time passed. The government lacked the courage and imagination. We of the peasant movement are especially hurt by the fact that promises given to farmers have not been kept again.

Nobody in a country called people's has the right to push peasants to the limits. All signs suggest that the new government will again be made by the small coalition and it will be a weak government. It will be an interim cabinet. But there is still a possibility to form a grand coalition government. Alas, the Solidarity declines to take part in the new cabinet.

We are saying good bye today to a government for which the coalition is responsible. Yet, when one more government falls, everybody will be responsible. So we shall make a strong government of hope.

Deputy Ludwik Bernacki of the PUWP [Polish United Workers' Party/PZPR] said that the government had make a serious breakthrough in the field of economy reforming although a considerable part of its plans was not carried out not only because of errors but also because of the time factor and other conditions.

This is why I cannot, Bernacki continued, agree to the motion for setting up a special committee to evaluate the work of the government and send the case to the tribunal of state. The greatest danger that may face us in effect of massive criticism would be halting the process of radical reforms, and we have to prevent this at any cost.

OKP Deputy Bronislaw Geremek took the floor in order to reply. Referring to the appeal of Deputy Bentkowski encouraging Solidarity to join the new cabinet so as to show its sense of responsibility, Geremek said that the outgoing government had indeed invited the opposition to the government and offered it "the Ministry of Debts, the Ministry of Housing Shortage, the Ministry of Poor Labour," etc. Our club has the sense of responsibility for this country. We believe, however, that the formation of an independent government may be possible any moment, a government that would meet social requirement, satisfy the Polish public opinion, and that would govern Poland well.

This, however, requires a major change in the systemic relations, in tune with the will of the nation and the promises of the round table. Such a change has not been seen until now.

We are awaiting a situation, Geremek continued, in which the council of generals will speak of how to defend the state, how to defend Poland, and not offer political advice to their ground-level organisations.

We also expect a situation in which the social will is truly materialized from the grass-roots, when the local self-government is democratically elected, the state is the property of the nation and no longer subject of a monopoly. We believe that then, indeed, a government of national solidarity will be possible. On issues of economic policy, where national threat exists, we are ready to take responsibility for what we would have influence on, Geremek said. PUWP Deputy Danuta Grabowska tried to size up the work of the government in the socio-economic field. She said that this period saw a clear democratisation of the state's political system which can be proved by the round table and its decisions, changes in the election law, and shift of the political system to parliamentary. First steps have also been made towards a change of the situation of citizen in the state.

The government failed to carry out its promises in many points. But one must allow for the time in which the government had to work, the social pressure accompanying it, and the long duration of the round table conference. All this is not to justify the government but to make its unbiased and just evaluation, to write some successes in its score but also the setbacks and things only initiated which have to be carried on by the new government.

Deputy Andrzej Bondarewski of the DP [Democratic Party/SD] said that the start of the Rakowski government was promising. The government can, of course, be blamed for these or other mistakes but discussion about future is more important.

A professional evaluation of the government should be entrusted to Sejm committees. Investigation into the causes of serious financial imbalance is necessary but the permanent Sejm committees are entitled to do it. Creating an extraordinary one is not necessary. I expect a coherent and logical socio-economic programme of the new prime minister.

UPP Deputy Jan Czja said, among other things that the evaluation of the Rakowski government cannot be uniform. The government was an important reform-maker but it has done it with variable success. In the sphere of politics a Copernican turn has taken place from political monopoly to pluralism. During the recent 10 months the system denied the thesis of its being reform-proof but it was so slow in doing it that this may now destroy the reforms.

The round table has become a symbol of changes. Its debates and results, the implantation of opposition in the organism of the political life, these are unprecedented facts in the history of real socialism. But socialism fails to cope with the whole financial sphere of the state.

The Rakowski government backed up the return to normalcy in Poland's external relations. They have been cleared of harmful pathos among socialist countries. In our relations with the West we are abandoning the unilateral, negative propaganda. Internationalism and the class doctrine have ceased to be the religion of our contacts with the world. Perestroyka and glasnost permit the construction of authentic friendship with the Soviet Union. The government has scored no success in relations with the Federal Republic. Despite a disproportion of both states' potential, Poland cannot be bypassed in Europe. Without full normalisation with Poland there can be no political self-fulfillment of Germans. They have still moral and historical obligations to the Poles.

Deputy Wojciech Polak of PZKS [Polish Catholic-Social Union]: We realize of course the numerous internal and external limitations which narrow down the economic room for manoeuvre of the government. On behalf of the PZKS parliamentary club I support the motion to appoint a committee that will analyse the government activities.

Deputy Jacek Soska, UPP, said that positive aspects of the government work should be noted, including the reconstruction of partner-like relations with the West, the achievement of understanding to our reforms in the Soviet Union, improvements in the relations with the Polonia, advantageous end of the Pomeranian Bay conflict, signing of the Wroclaw agreement on cooperation in environment protection, a package of laws releasing the brakes of reform.

At the same time, however, the government showed little determination in economic questions. As a Sejm deputy I have the duty to evaluate the government. My judgment is negative. The government activities caused greater economic crisis nearing catastrophic scale.

Jan Blachnio of the UCHS [expansion unknown] said that today's debate differed only a little from what was said in this house during the previous parliamentary term. The evaluation of the Rakowski government must be, in my opinion, more comprehensive and allow for the past 40 years, as well as for the geopolitical situation.

No doubt, the immediate cause of present economic realities are to be seen in the fact of the martial law. Who caused it? We are still awaiting answer to this question.

I appeal to all members of parliament, he stressed, for responsible action. Let us put away divisions and resentments, let us think of the Rzeczpospolita (republic).

Deputy Mieczyslaw Gil of Solidarity OKP Parliamentary Club asked the Sejm Presidium to explain the absence of Prime Minister Rakowski from the Sejm meeting. He asked whether Rakowski knew it was held and remarked that his presence in the room would, perhaps make it unnecessary to motion for the appointment of an extraordinary committee to evaluate his government.

The postulate that the outgoing government ought to submit a report on its activities is by no means a show demand, another OKP deputy Eugeniusz Ujas said. He added that this kind of report is, in such situations, not only a good custom, moreover, it is just necessary.

Referring to one of the press articles about the numbers of KGB in the USSR and reductions planned in its ranks, Ujas postulated to inform the Polish people also about these details.

Anothr OKP deputy Jacek Szymanderski said that the beginning of Rakowski government's rule was characterized by dismantling, in the initial stage, of the round table. Rakowski had already then described himself as Mrs. Thatcher's disciple and the world took it as a clear attack against trade unions.

This government had announced farming as one of its priorities. Its practice was different. All this clearly shows that it wanted an agricultural crisis. It's significant, that such a policy was followed by Mieczyslaw Rakowski who, then being vice-premier, broke negotiations with Solidarity on food distribution supervision in 1981. Such a policy is, consequently, a deliberate and purposeful action, it is not caused by negligence, or passiveness of the government. This is why the deputy supported the motion to appoint an extraordinary committee for evaluation of the work of the prime minister and his cabinet.

Vice-speaker of the Sejm Tadeusz Fiszbach told the house, in reply to an earlier question of Deputy Gil, that the Sejm Presidium had sent a notice to Mieczyslaw F. Rakowski about the planned Sejm meeting and it did not do anything else in this matter.

Deputy Jan Furtak of the OKP Club, said he took the floor because he was shocked by the executive acts published in today's RZECZPOSPOLITA and concerning the official minimum prices of milk, grains, and meat. The official prices according to the law on prices are maximum prices, which means that yesterday's words of Vice-Premier Olesiak were a lie. We have another example of arrogance of those in power.

The government decisions which liquidate free market in farm products procurement lead to turning Polish farmers into pariahs. But everything has its limits and peasants can rebel. What the government has done qualifies it to facing the tribunal of state, he said.

Vice-Premier Kazimierz Olesiak explained that the minimum price, according to the government resolution adopted a few days back, covers five farm products. The minimum price guaranteed by the state has been introduced with the aim to make Monday's Sejm decisions feasible, to make their correction possible within three months and obtain a correct parity of incomes in farming.

Meanwhile, free, non-official procurement prices, announced by all procurement institutions, are introduced in agriculture as of August 1.

PUWP Deputy Ludwik Bernacki made the following statement:

"In connection with the proposal of the citizens' parliamentary floor group (OKP) to appoint an extraordinary commission and after consultation with my colleagues of the PUWP floor group, I wish to state that I withdraw my motion not to appoint this commission. The PUWP parliamentary floor group is, just like other floor groups, also interested in explaining the causes of the present economic situation and, especially, the possible responsibility of the government for this state of affairs.

"We confirm the intention of active participation in the commission's work."

In the discussion many speakers stressed the achievements of the outgoing government, said Jan Lopuszanski of the OKP group. One cannot deny that the Rakowski government accomplished a handful of measures which could not have been introduced over previous decades. One could say, better late than never. But I would prefer to praise the outgoing government for what is its actual achievement not for just fulfillment of obvious postulates.

As long as there is no sweeping re-arrangement of the system in Poland, the grand coalition government will not be possible. The opposition is not ready to share responsibility with the nomenklatura, he said.

Deputy Czeslaw Janicki of the United Peasants' Party said it had seemed that when Prime Minister Rakowski described agriculture as one of the priorities of his cabinet, something would improve. Thus far, the government has done little to substantially increase the scale of supplies of farm production means.

[illegible]ment Members' Retorts

[illegible] for Foreign Economic Relations Dominik Jastrzebski expressed his satisfaction at a sharp character of the discussion stating that it results, among other things, from the fact that for the first time in many years the government's work did not consist in concealing the economy's shortcomings but in their disclosing.

The minister also referred to what he termed as "legends" on possibilities for foreign capital flowing into Poland's economy. He stated that he did not believe in any substantial funds from the West. It would be necessary to assign two to three billion dollars a year in the next five years to make Poland's economy overcome the crisis, Jastrzebski said.

Replying to charges that the foreign trade robs the economy by exporting everything, Minister Jastrzebski said that Poland takes a distant place in the international foreign turnover counting receipts from that per capita. In Poland exports total 324 dollars per head, while in Czechoslovakia it is 1,500 dollars and in Bulgaria—1,800 dollars per head.

Referring to a statement by one of the deputies, Minister Jastrzebski stressed that Premier Rakowski was among chief animators of the round table and one of the leaders of the initiative.

Minister of Spatial Planning and Construction Bogumil Ferensztajn referred to some of charges addressed to the government stemming from failure to meet public expectations in housing construction. It seems unrealistic to me, he said, to fulfil promises of building a flat for each citizen in our conditions. I think it is possible only in rich countries, Ferensztajn said.

Today, on over a year-long implementation the programme to intensify construction, I assess, Minister Ferensztajn said, that the trends in housing construction are positive but its level depends mainly on the situation in economy and on scope of means assigned for the purpose.

Minister of Finance Andrzej Wroblewski stated that the budget deficit at the end of July totalled 3.018 trillion zloties, in June it was higher and reached 3.7 trillion zloties.

Inflation, faster than planned, influenced the budgetary expenditures. On the other hand, there were some delays in receiving taxes, the finance minister stated.

Minister Wroblewski also talked about the problem of debts. On many an occasion, various sums were mentioned, depending on exchange rates. I name the sum of 39 billion dollars and nearly 6 billion roubles, he stressed.

If we were to pay our obligations to the Paris Club of creditors only, the minister continued, it would total some four billion dollars a year. Our economy is not equal to that. In practice we pay nothing to the Paris Club. Rescheduling of that debt can only legalize the actual situation.

As a result of debt repayment and lack of credits the economy loses four billion dollars a year in comparison to the 70's. It makes four trillion zloties at official currency rates. The sum indicates the scale of inabalance and strain on our economy, Minister Wroblewski said.

In his address Vice-Premier Ireneusz Sekula stated: I would like to inform you that Premier Rakowski has been suffering from heart malfunction for several days. Today it has recurred. At the moment the premier is at hospital and requests to be excused for his absence.

Next he said: In my opinion the criticism expressed by opposition deputies is a typical critical stand taken by any opposition which attempts to grasp power in a parliamentary democracy, gaining possibly many mandates in representative bodies. This is a normal motivation and normal activity.

The basic question is: Can we lift out of the crisis all by ourselves? I answer that it is impossible. We must change external conditions but we cannot impose our will on anybody. We have proposed to our creditors a much convergent program with the one presented by Senator Witold Trzeciakowski: Debt rescheduling, grace periods, possible debt remission, government insurance of guranteed credits to lift he risk of investment in Polish economy. But for this program to be feasible, it is necessary to deeply change the economic system.

However, to restructure (economy-ed.), one must experience a difficult break-through period. Nobody could have expected an economic boom in several months. No government member outlined such a vision.

I do not deny that we made errors but let us objectively consider whether some decisions were, in fact, errors or necessary requirements.

The Sejm will evaluate if an extraordinary commission is necessary. Government activities were authorized by the Sejm of the previous term. The government followed its recommendations and implemented laws. Our activity and its evaluation must be referred to those determinants which were characteristic of the 9th term. However, I would like to say unequivocally: We acted in the interest of Poland, the country, economy and society, as we best understood it. We will be defending this fact before any commission, any tribunal. This fact can be defended.

After the discussion the Sejm approved of the resolution which accepted the resignation of the government submitted by the chairman of the Council of Ministers. At the same time the Sejm decided that the government should continue its activity until a new cabinet is appointed.

Tomorrow deputies will vote on the motion on the appointment of an extraordnary commission to evaluate the activity of the government in the economic sphere.

Cabinet Resignation Accepted

LD0108184189 Warsaw PAP in English
1724 GMT 1 Aug 89

[Text] Warsaw, August 1—The government has never promised any quick effects, said Ireneusz Sekula in the last reply at today's Sejm debate. The intentions of the government were unequivocal, and all it has done till this moment should be evaluated from longer time perspective, he said.

After discussion, the Sejm approved the resolution accepting the resignation of cabinet proposed by the prime minister. The house asked the former government to continue its duties until a new cabinet is formed.

Voting on the appointment of extraordinary committee was postponed will Wednesday.

Today's debate closed at 17:30 hrs.

Anti-Kiszczak Election Mutiny

AU0108154189 Paris AFP in English
1524 GMT 1 Aug 89

[Jean-Eudes Barbier report]

[Text] Warsaw, Aug 1 (AFP)—A threatened mutiny by pro-government deputies stymied General Czeslaw Kiszczak's expected walkover into the Polish premiership Tuesday, forcing parliament to put off the election for 24 hours, informed sources said. Many of the Communists' traditional allies would vote with the opposition, which Solidarity leader Lech Walesa had told to reject Gen. Kiszczak.

The pro-Communist United Peasants' Party (ZSL) staged a mass rebellion, with just 15 of 76 deputies willing to endorse the man who as interior minister spearheaded the crackdown on Solidarity. And a dozen of the ruling Polish United Workers' Party's own deputies have said they will defy the whip and block Gen.

Kiszczak's election, sources said. If the rebels hold firm the opposition could stop the general getting the absolute majority he needs to replace the new party leader Mieczyslaw Rakowski in his old job.

Parliamentary groups la ..hed into intense consultations Tuesday afternoon, with bargaining expected to last well into the night in a bid to cobble together the required number of votes. But sources said it could not be ruled out that Gen. Kiszczak might stand down.

Pro-government party whips were to call their members to heel late Tuesday, but the scale of the ZSL revolt could scuttle attempts to bring the dissenters into line with the PUWP [PZPR] mainstream, the Social Democrats and the Communists' Catholic allies.

The ZSL defectors have offered to form a coalition government with the Solidarity-led opposition if they defeat Gen. Kiszczak, sources said, but the proposal would need the backing of the outgoing PUWP party leader, President Wojciech Jaruzelski. In theory the ZSL and Solidarity could command an absolute majority, with 236 out of 460 deputies.

Walesa Refuses Support

LD0108212489 Warsaw PAP in English 1932 GMT 1 Aug 89

[Text] Warsaw, Aug. 1—Deputies of the citizens' parliamentary floor group (OKP) met here during a break in today's Sejm (lower house) debates to discuss issues connected with a proposal to set up a special commission for assessment of the government's work in the economic sphere and with the group's stand on appointing a new premier.

The citizens' floor group chairman, Deputy Bronislaw Geremek, told the deputies about Lech Walesa's cable to the group in which, while recalling his support for Czeslaw Kiszczak as a presidential candidate, the "Solidarity" leader refused to extend such a support to him as a candidate for prime minister.

It was settled that in case the Sejm fails to appoint a special commission, such a body will be formed from the group's members.

Deputy Jan Litynski briefed the group on informal consultations on cooperation between the citizens's floor group and the United Peasants' Party in formation of a new cabinet.

Kiszczak Acceptance Speech

LD0208103189 Warsaw Domestic Service in Polish 0822 GMT 2 Aug 89

[Speech by Czeslaw Kiszczak to the Polish Sejm in Warsaw following his appointment as Chairman of the Polish Council of Ministers—live]

[Text] Citizen Speaker! May it please the House, I would like to say thank you for the honor of being entrusted with the task of forming the government of the Polish People's Republic. I view the trust placed in me through the support for my candidacy as an obligation. I shall do my utmost to meet your expectations. I also pay due attention to those citizen deputies who voted against my candidacy. Their view inclines me to actively search for ways and means to get wider parliamentary and public understanding and approval for the actions of the government I intend to form.

I now face—as naturally also does the House—the issue of the composition of the new cabinet, its platform, and its working philosophy. I note with regret that so far the concept of a government of grand coalition has not been accepted. I believe that today a government thus constructed would be the most appropriate one for administering the course of the country's affairs. That is why, while getting down to forming the government on the widest possible basis, I shall not cease trying to prevail on representatives of the opposition circles to take part in it in the hope that in the future a grand coalition government will be possible.

I am in favor of a roundtable government. In saying this, I do not merely refer to a symbol of national accord and reconciliation, but first and foremost to the substantive content and ways of fashioning the dialogue process. In the roundtable process, a vision of Poland's development was drawn up which meets the public aspirations and expectations. The new government should pursue to its utmost the realization of this vision, especially as regards the form of the new economic order and political reforms.

As a cochairman of the roundtable I feel morally and politically duty-bound to guarantee the accord concluded among the Poles. Consequently, I shall do my utmost that the directions of the government work correspond to the superior causes of state and the nation.

May it please the House: The seriousness of the domestic situation, especially in the economic field, imposes on us the need to act as quickly as possible. I would therefore like to ask the House to permit me to present a plan of action and the composition of the Council of Ministers within the next 2 weeks. Thank you. [applause]

Rakowski Hospitalized

LD0108194289 Warsaw Domestic Service in Polish 1459 GMT 1 Aug 89

[Announcement by Deputy Prime Minister Ireneusz Sekula at the 1 August Sejm session in Warsaw—live]

[Excerpt] I would like to inform the house that several days ago—perhaps not everyone knows this—Prime Minister Rakowski had some heart trouble. He had arrhythmia and low blood pressure, and spent several days in the hospital. Today, these problems came back and right now he is in the hospital. He sends apologies for his absence and has asked me to convey this information to the house. [passage omitted]

PAP Reports Central Committee Resolution

LD0108230889 Warsaw PAP in English
2022 GMT 1 Aug 89

["13th PUWP CC Resolution (Abridged)"—PAP headline]

[Text] Warsaw, Aug. 1—The Polish People's Republic has found itself at a break-through moment in its history. The dangerously aggravated economic difficulties, returns of the elections to the Sejm and the Senate, participation of the opposition in state authority bodies are main elements of the radically new situation.

The Central Committee confirms the rightness of the decisions of the 10th plenum.

The CC [Central Committee] approves of the assessment of the elections, presented in the Political Bureau's report, supplemented and expanded during the discussion at the plenary session.

The most important task is to reach an improvement in the economic situation.

While reaffirming the fundamental importance of the social ownership of production means for the country's economic and social development, the CC comes out in favour of such changes in ownership relations which will make it possible to most fully combine high economic effectiveness with social justice and influence of the working people on economic processes.

The CC comes out for the continuation of market-oriented restructuring of the economy.

The CC stresses the significance of the state's social policy in conditions of market-oriented restructuring of the economy and principles of a new economic order. This policy must ensure equal chances in life, the right to work in tune with one's qualifications and to pay reflecting the effects of work as well as general social security.

The CC obliges the PUWP [Polish United Workers Party] parliamentary floor group to launch an initiative to appoint an extraordinary constitutional commission to start work on a new Polish constitution, launch an initiative to work out a bill on political parties and to cause the acceleration of work on the bill on communal property.

The party will carry on the reform program in partner-like cooperation with the United Peasants' Party, the Democratic Party, the PAX Catholic Association, the Christian-Social Union and the Polish Catholic-Social Union and also with all other legal political parties and groupings which will be ready for such cooperation.

The character and principles of cooperation within coalition, its immediate and prospective aims should be determined by a new accord.

The CC underlines the will of cooperation with all streams of union movement.

The party's closest ally is the socio-labour movement organized in the All-Poland Alliance of Trade Unions (OPZZ) and the National Union of Farmers, farmers' circles and organizations.

The CC confirms the PUWP readiness to cooperate with the remaining union currents, including the Independent Self-Governing Trade Union Solidarity and Rural Solidarity.

Streams of union activity and of political activity, including opposition to the socialist system, co-exist within Solidarity. This makes it impossible at present to take a stand of approval on the membership of party members in this organization.

Following round table agreements, the CC confirms the party's readiness to cooperate with the parliamentary opposition on the plane of co-responsibility for Poland, for overcoming the crisis, preventing an economic catastrophe, introducing reforms, ensuring internal peace and external security as well as a favourable arrangement of Poland's relations with the socialist and capitalist countries.

The party, open to all movements and strivings guided by the weal of the nation and the state, will engage in polemics and conduct political struggle with all activities aimed against socialism and the legal order of the Polish People's Republic.

The CC decides to start preparations for convening the 11th PUWP Congress at an earlier date. It obliges the Political Bureau to present an elaborate concept of pre-congress work to the 14th plenary meeting of the CC.

Jaruzelski, Glemp Attend Monument Unveiling

LD0108130489 Warsaw PAP in English
1139 GMT 1 Aug 89

[Text] Warsaw, Aug. 1—Poland's president, Army General Wojciech Jaruzelski is attending the ceremony of unveiling monument to the 1944 Warsaw Uprising, which began in Warsaw at 10:00 local time. Present is Poland's Primate Cardinal Jozef Glemp who is to consecrate the monument.

Addressing the gathered after unveiling the monument, Poland's President Wojciech Jaruzelski emphasized the heroism of soldiers of the 1944 uprising and Warsaw residents. "The chart of wrongdoings and understatements as to the uprising is already a sealed book," said he, adding: "Let this monument serve the cause of national conciliation."

Next, Poland's Primate Jozef Glemp concelebrated an open-air Holy Mass during which he consecrated the monument.

A wreath-laying ceremony followed the mass at the monument.

Poland's President Wojciech Jaruzelski laid a wreath from the nation.

Chairman of Warsaw People's Council Mieczyslaw Szostek and Warsaw President Jerzy Boleslawski laid wreaths from the city authorities.

A delegation of the soldiers of the uprising and members of various military formations fighting against the occupants laid a wreath on behalf of the soldiers of the uprising.

Jaruzelski Speaks at Unveiling

LD0108210189 Warsaw Television Service in Polish 0815 GMT 1 Aug 89

[Speech by Polish President Wojciech Jaruzelski at a 1 August ceremony in Warsaw's Krasinskich Square to unveil a monument commemorating the 1944 Warsaw Uprising—live or recorded]

[Text] I welcome you, heroes of insurgent Warsaw! I welcome you, soldiers from all units, defenders of the barricades, couriers, nurses, scouts, all you who participated in the immortal action of our capital's inhabitants! Those bygone days of blood and glory will remain alive for ever more in the collective memory of generations, as will the unprecedented valor of the insurgents, the suffering of the civilian population, and the barbarity of the invader. This proud city has never been enslaved, has always defied the enemy, and has valued freedom and honor above all else, from the times of Kilinski [one of the leaders of the 1794 Warsaw insurrection] to those of Starzynski [prewar president of Warsaw], from the November [1830] fires in Solec to the rebellion against the Gestapo governor, from the burial of the five fallen heroes to the bricks dragged from the ruins with people's bare hands. Not for a moment did the flame of patriotic sacrifice on the part of the capital's people die down in that city.

Today we are being watched by those whom Poland is missing, the mute witnesses of the insurrection's epos, those who marched against Tiger tanks armed only with handguns, who defended the bastions of Mostowa and Freta Streets to their dying breath, who descended nearby into the dark hell of the canals, who died of their bayonnet wounds in the field hospital of Dluga Street. This corner of our town symbolizes, in some way, the whole of fighting Warsaw; from Wola to Mokotow, from the Powisle to Zoliborz; Warsaw's unyielding fight for every stone, from the memorable September barricade in Opaczewska Street to the Czerniakow-Zoliborz landing, from the Ghetto Uprising to the liberation of the capital.

On such a day as this, no one from the war generation can help recalling those days. The companions of my youth fell in this city. The school where I was taught was burned down. During the battles for the Praga district, for the Wisla crossings, in the trenches of Brudno and Pelcowizna, we watched—our hearts sinking within us—our dying city, the creeping cloud of smoke, and the nightly blazing glow over the Left Bank.

On a January day in 1945, I was among those Polish soldiers who stood on the burned-out, deserted cemetery of our capital. This is something one can never forget. More than 4 decades have passed, a whole era. There were great chapters during that time, a patriotic impulse, the rebuilding of the ruined city, and its great urban and industrial, scientific, and cultural progress. However, there also was injustice: human wrongs and things passed over in silence. This is now a closed book. Let us look to the future. The republic, though it stoops under the burden of its difficulties, is a sovereign state, a safe homeland for all Poles, safe within its borders.

It is now stepping out along a new road. May it be a Poland that lives up to the ideas and dreams of those who did not live to see this day, and at the same time lives up to the expectations of those who during the subsequent anniversaries of the outbreak of the uprising will stand in this very same place and deep in anguished thought deliver the time-honored Polish report. We have to fulfill the last will of those who fell, link hands over that which divided us in the past. May this monument, a proof of eternal memory and homage to the heroes of the Warsaw Uprising, serve the cause of national reconciliation. The monument was born amid argument and discussion; perhaps it will evoke them again and again, but there are in Poland places and symbols before which dignity dictates deeply respectful silence. I salute those who fell and voice my respect for those who survived. I appeal to those who were born after that hecatomb never to forget whence came their forbears. [applause]

Rakowski Attends Unveiling

LD0108183189 Warsaw PAP in English 1516 GMT 1 Aug 89

[Text] Warsaw, Aug 1.—A ceremony of unveiling a monument to the Warsaw Uprising, built at the Krasinskich Square, was held here today. President of the Republic Gen. Wojciech Jaruzelski took part in the ceremony and Mikolaj Kozakiewicz, Mieczyslaw F. Rakowski, Roman Malinowski, Jerzy Jozwiak and Jan Dobraczynski also arrived.

Members of the authorities of the National Defence Ministry led by Gen. Florian Siwicki, authorities of Warsaw and members of the leaderships of war veteran and social organizations are present.

The ceremony was opened by chairman of the social committee for building the monument Professor Jan Kostrzewski who asked the Polish president to unveil the monument.

After unveiling the monument, the president signed the following text in the visitor's book, a gift from the Polish primate:

"On the 45th anniversary of the outbreak of the 1944 Warsaw Uprising, everybody assembled around the monument built to glorify the armed deed bow down before the rising of people fighting to liberate the capital and before these for whom the Warsaw Uprising was a call for the freedom of eternally alive homeland."

Next, Jaruzelski delivered an address.

Next, a pontifical mass was held at a field altar. The mass was celebrated by Cardinal Jozef Glemp who delivered a homily and consecrated momument.

The ceremony of laying wreaths took place after the holy mass.

The president of the republic laid a wreath on behalf of the nation. Chairman of the Warsaw People's Council Mieczyslaw Szostek and Warsaw President Jerzy Boleslawski laid a wreath on behalf of the Warsaw authorities.

A delegation of soldiers of the uprising and members of various groupings struggling on Warsaw barricades in 1944 laid a wreath on behalf of insurgents.

Varsovians came over to the monument with bunches and individual flowers—for their relatives and nameless—as a proof of homage, love and memory.

Strike Alert Announced at Lenin Steelworks

LD0108200689 Warsaw Television Service in Polish 1730 GMT 1 Aug 89

[Text] In all departments of the Lenin steelworks a strike alert has been announced from 0600 this morning. The alert was announced by the workers commission of steelworkers of the Independent Self-Governing Trade Union Solidarity. The cause of the protest is pay raises lagging behind high price increases.

The workforce of the Paris Commune shipyard in Gdynia have declared a sit-in strike; a strike alert has been declared there since 19 July, no agreement has been reached with the management on pay and internal issues.

On the other hand the strike has ended at the PZL transport equipment factory in Mielec. A program of effective management in the factory should be prepared by 19 August.

Solidarity's Geremek Speaks on Reform Program

AU2807121689 Hamburg DIE ZEIT in German 28 Jul 89 p 17

[Interview with Bronislaw Geremek, chairman of the Solidarity parliamentary group, by Nikolaus Piper: "We Are To Make Sacrifices"; date and place not given]

[Text] DIE ZEIT: Professor Geremek, you are now Solidarity floor leader in the Sejm. Would you have imagined 1 year ago that you would now be a member of the Polish parliament?

Geremek: Never—neither 1 year ago, nor 1 month ago.

DIE ZEIT: You now hold 50 percent of the power. What are you going to do with it?

Geremek: We do not wield any power now; however, we have the support of our society. This is a particularly difficult situation, because the gap between the expectations of our society and the possibilities to meet them is very wide.

DIE ZEIT: What are you doing in this situation?

Geremek: For the first time, there is a legal opposition in a communist state. I think that the Senate and Sejm elections, as well as the presidential election have shown our strength. We want to use this strength for the democratization of Poland and for the reform of the economy.

DIE ZEIT: Are you ready to assume government responsibility?

Geremek: That depends on what your question means. We are ready to form a government. However, we are not ready to join a coalition government, because that would mean that we would form a coalition with a party which has been in power for 45 years, and has held all the power structures. The factual power organs are not the state institutions. They are the police, the military, and the party apparatuses. As long as these structures are the way they are, the presence of several ministers from among our ranks in the government would represent a mere facade.

In 1945, the prime minister of the Polish People's Republic was not a member of the Communist Party. Nevertheless, it was the communists who wielded power. We do not want to repeat such a situation.

DIE ZEIT: Does your grass roots hold it against you that you made possible Jaruzelski's election as president?

Geremek: We concluded a political agreement at the roundtable, which would have given the communist party an opportunity to appoint a president on their own discretion. However, the disruption of the government camp advanced so rapidly that the communists and their

allies lost the majority. If Solidarity as a whole had voted against him, General Jaruzelski would not have been elected. That is a problem for our grass roots. The broad public considers Jaruzelski the man who imposed martial law. I said in the Sejm that we cannot and must not forget that.

However, in addition to this socio-psychological way of thinking, we must also think along political lines. We believe that the office of president guarantees stability in the coming transition period. If another person instead of Jaruzelski had been elected, the power center in the Central Committee would remain unchanged, because the first secretary of the communist party would continue to be Jaruzelski. (Under the Constitution, President Jaruzelski must give up his office as party chief following the election)

So the question was whether the most important man would be the party secretary or the president of the Polish People's Republic. It is in the country's interest that the power center be shifted away from the party leadership to the state offices. Thus, if we accept the goal of stabilization during the transition period, the solution regarding General Jaruzelski is the lesser evil. It is extremely difficult to explain all this to the public. The public is having a hard time forgiving 12 members of our parliamentary group for not having voted against Jaruzelski. If they had voted, the general would not have been elected.

DIE ZEIT: Regarding your personal assessment of Jaruzelski, what prevails—the general who imposed martial law, or the general who paved the way for pluralism in Poland?

Geremek: At present, the general as the man who imposed martial law. As president, Jaruzelski can become the man of pluralism.

DIE ZEIT: How will Poland's economy develop? Will Solidarity be able to push economic reform without disappointing its own grass roots?

Geremek: The situation is very difficult. Viewed economically, Poland is a step away from catastrophe. That requires extraordinary measures. We are aware that economic reform cannot be had for free. The Polish workers in particular will have to bear the cost of the reform. So there is a conflict between Solidarity's political goals and its interests as a trade union. However, Solidarity has always rated the state's interests higher than the group interests that it has represented. In 1981 we demanded that Poland should join the International Monetary Fund. That is a unique case in the international trade union movement. So we are a special trade union. Nevertheless, I see very serious conflicts ahead. However, we hope that the conflicts will be resolved rationally, once the reform has been started. The problem at present is not that the Poles would refuse to make sacrifices; the problem is that crass egoism may emerge in a threatening situation.

DIE ZEIT: Do you have a program for the coming weeks and months?

Geremek: Many years ago, Solidarity adopted a reform program that covers several years. Strategic decisions must be made in the coming weeks and months. That concerns in particular the reduction of subsidies for foodstuffs. The government as well as farmers' Solidarity demand that these subsidies be dropped immediately. They want the subsidies to go to the consumer directly, instead of to the producer. However, the psychological consequences of such a measure, which will lead to a sudden quadrupling of prices, could be fatal.

Therefore, two alternatives are being considered: a stepwise reduction, or a shock for our economy. Every government is faced with these alternatives, and it must accept the risk.

DIE ZEIT: What do you prefer?

Geremek: I have not made up my mind. On the other hand, the direction of further reforms must be decided by consensus with the grass roots. This direction is the demonopolization of the economy, equal rights for all forms of property, involving the tendency to privatize part of the economy. A clear line must be drawn between the state and the management of state enterprises, so that part of the state's property can be sold. This could be done by transforming national debt into stockholdings, or by capital participation of employees in their enterprises. Without changes in the property system, it will not be possible to carry out economic reforms. In addition, the task is to shift investments from heavy industry to light industry; there are new priorities in economic policy in favor of agriculture, food production, and tourism. Finally, the nomenklatura must be destroyed. The most important thing is the beginning, because here we need certain financial and material reserves, which we do not have. That is not only an economic but also a political problem, because if no improvement is in sight, confidence will dwindle. Then there is the danger of an explosion.

DIE ZEIT: Is the aid sufficient that the heads of state and government decided to grant Poland at their economic summit in Paris?

Geremek: The size of the aid they agreed on was more modest than we would have expected. However, the direction is right.

In our program we had mentioned aid measures worth $10 billion. People often see only this sum and say that it is too much money. In fact, however, the Solidarity

program spoke of $5.5 billion from international institutions, and $4.5 billion in investment credits. In the seventies Poland received $30 billion from the West. These credits consolidated Stalinist bureaucracy in Poland. A large part of the money was wasted.

DIE ZEIT: In your view, what role should the FRG Government play regarding aid for Poland?

Geremek: I believe that because of its role in Europe as well as because of the particularities of the German-Polish relationship, Germany can be of decisive importance for Poland's development. The state of negotiations between the two governments is not good. The statements made by Finance Minister Waigel recently have disturbed our relations. However, I consider it an important fact that Federal Chancellor Kohl played an active and supporting role during the Paris summit meeting. But I believe that the difficulties in the negotiations are of a temporary nature.

DIE ZEIT: Why are the talks between Poland and the Federal Republic so difficult at present?

Geremek: Ask the two negotiating partners. For my part, I had a chance to talk to representatives of the federal government, and I see opportunities to quickly solve these problems.

DIE ZEIT: An editorial writer said in the INTERNATIONAL HERALD TRIBUNE that the Poles are ready to die for their fatherland, but not to work for it. Does that annoy you?

Geremek: These views have been voiced before by the public in the West. An INTERNATIONAL HERALD TRIBUNE article in 1981 said that the best solution for Poland would be the immediate intervention by the Soviet Union. We must assess such opinions as reflecting lack of knowledge and lack of responsibility. The stereotype cliches about the Poles' attitude toward work are simply ridiculous. The Poles work hard and well in the United States, Australia, Canada, and elsewhere. Why should they do a worse job in their own country? They work poorly because the system is bad, and because they are poorly paid, and because the work is poorly organized. Poland does not expect alms from anyone, and the Poles are aware that their fate depends on themselves alone. They do not consider Western aid to be fulfilling obligations from World War II, even though—strictly speaking—they would have a right to do so. They consider it the implementation of the West's and the world's own interests.

Editorial on Party 'Change of Guards'

LD0108110589 Warsaw PAP in English 1031 GMT 1 Aug 89

[Text] Warsaw, Aug. 1—Today's TRYBUNA LUDU daily carries an editorial headlined "Time of Change of Guards and Posts" in which the paper's editor-in-chief Jerzy Majka discusses Wojciech Jaruzelski's resignation from the post of PUWP CC [Polish United Workers party Central Committee] 1st secretary, Mieczyslaw Rakowski's appointment to that post and Czeslaw Kiszczak's candidature as prime minister. Excerpts:

"The recent eight years saw many social tensions that threatened with uncontrollable eruption whose results would be indeed hard to foresee. It is for Comrade Jaruzelski that no such great tragedy happened. His tension-relieving moves anticipated dangerous situations. For him, national conciliation was the supreme cause. Last year's actions brought about hope for burying the divisions separating Poles during the war and later.

"Deep changes in the way of thinking of the decisive majority of party members are connected with Jaruzelski's policy and work," Majka reflected on Jaruzelski's contribution, sketching further on the feasible development of PUWP under Rakowski:

"All appearances considered, the party under its new CC first secretary will follow the same reformatory course. The line of conciliation and struggle will continue to be the obligation. Rakowski's whole hitherto work rules out any other possibility. In this respect, one can safely count on the continuation (of this policy).

"Both his (Rakowski's) rich political experience, dynamism and courage in making unconventional moves allow one to be quite positive that he will both continue that policy and introduce far- fetched changes.

"Considerable changes in the composition of the political bureau and of the CC Secretariat allow for such prognostication. Especially meaningful are the latter ones, as they initiate the change of generations within party leadership," Majka says, reflecting also on the expectations of the people connected with the new government:

"No effective moves aiming at healing the economy are possible without approval of all social forces. Therefore, the only solution respecting public expectations and bringing about hopes for improvement is the government of the great coalition—in other words of the round table—or a government officially without solidarity members but enjoying full support of the 'round table' agreement in the parliament. I can see no more good solutions," the TRYBUNA LUDU's editor-in-chief said.

*Commentary on Future of PZPR Reviewed

26000605 Warsaw PRZEGLAD TYGODNIOWY in Polish No 29, 16 Jul 89 p 6

[Compiled by MOK: "What Is Being Said"]

[Text] In recent days, the issue of further existence and format of the Polish United Workers' Party has become the focal point of interest, as well as of rumors and speculation.

On 16 June, Professor Jerzy Wiatr gave an interview to the Italian daily LA STAMPA which the editorial office entitled "Gentlemen, It Is Collapse. Now a Split Will Occur in the PZPR." Among other things, Prof Wiatr says: "The PZPR is drawing closer to a split. There no longer are foundations for the coexistence of the reformers and the conservatives. This is an unavoidable consequence of the identity crisis brought on by the election defeat." At the same time, he expresses the opinion that the next Central Committee plenum is going to be decisive; its results are not certain, but it should be believed that the reformist wing will win, which contradicts the earlier theses somewhat.

On 19 June, Central Committee Secretary Leszek Miller gave an interview to TRYBUNA LUDU in which he referred to "the entirely new party—party of the social left." A couple days later, Leszek Miller rectified it: "I had in mind profound structural changes, a renewal and rebirth of the party." However, he admitted that the party may take a new look at the concept of social democracy.

On 20 June, Central Committee secretary for ideology Marian Orzechowski told the paper THE INDEPENDENT: "In its present form, the communist party is simply not capable of functioning in an environment imposed by even a half-democratic parliamentary system. (...) The current structure of the party must be changed." The daily commented: "Some use the neologism 'social democracy' in defining what is to come about in the party."

On 24 June, Ryszard Wojna asked a question in the pages of POLITYKA weekly: "From the point of view of the contribution of the Polish left to creating a new political and economic system, would it not be expedient to close the chapter of history of the Polish workers' movement which is associated with the acronym PZPR?"

On 27 June, basic party organizations of the colleges of Krakow adopted the following joint position: "We believe that a PZPR Congress needs to be convened through emergency procedures which in its content and mode of operations will be in line with the aspirations and requirements of basic party organizations. The congress should transform itself into the constituent congress of a new, progressive party of the left based on the traditions and accomplishments of Polish socialist thought."

On 28 June, Professor Jozef Lipiec presented three scenarios of the future of the PZPR at a meeting at the PZPR Voivodship Committee in Krakow. The first one envisages the unchanged program, structure, and language of the party and brings about stagnation and defensiveness, the second—flexible adaptation to the external situation, which threatens the loss of independence and identity, and the third—setting up a completely democratic and independent modern party with a program having social appeal.

On 1 July, the Austrian DIE PRESSE wrote: "Polish experts see even now the signs of at least half a dozen party political groups forming: The governing PZPR may split into the orthodox Marxist and reformist wings with a certain social-democratic orientation; in addition, the socialist party, which in principle exists, would also find itself in the camp of the left."

On 2 July, the TV News quoted the opinion of the paper LE QUOTIDIEN DE PARIS on the topic of "scenarios of adaptation by the party." The text of the article follows: "The first scenario: transformation of the PZPR into a leninist party of the 'vanguard,' a sort of elite holding the levers of power, in particular with the help of managers. The second scenario calls for a broader opening of the party to persons and concepts originating in other formations of the Polish political checkerboard. However, the variant of the PZPR splitting into three currents appears most probable. On the one hand, it would be a socialist party led by Mieczyslaw Rakowski, who has decided to continue his political career outside the government structures. On the other hand, it would be a workers' party which could be led by the former Minister of Foreign Affairs Marian Orzechowski. Finally, there would be a communist party with strict discipline, in which intransigent dogmatists could find refuge (the newspaper does not give the name of an eventual leader—note by PRZEGLAD TYGODNIOWY). All of these currents which already exist anyway strive to strike the iron while it is hot, being at the same time a factor of acceleration."

On 4 July, the press spokesman of the PZPR Central Committee denies the statements of LE QUOTIDIEN DE PARIS in front of TV cameras. "Many inquiries have been made to the Central Committee in which indignation and concern with speculations on the likelihood of violating the unity of the party are expressed (...). I deny deliberate speculations by the Western press about the alleged divisions in the party. (...) The 13th Plenum has come out in favor of maintaining party unity as a fundamental value guaranteeing the effective implementation of economic reforms and socio-political changes. Regardless of the intent of the authors of information quoted on Polish TV, it is merely speculation by a not-too-credible French newspaper without a real foundation. This notwithstanding, it has still misled a segment of party members and society: We cannot remain indifferent with regard to this. The issue is being analyzed, and relevant conclusions will be drawn."

On 5 July, eight questions by journalists at the press conference of Marian Orzechowski touched on the unity of the party. The Central Committee secretary said: "It is stuff and nonsense that Rakowski is creating a socialist party, Orzechowski a workers' party, and still another person a communist party."

In last week's POLITYKA, Mieczyslaw Rakowski spoke out on the topic of an eventual transformation of the party along social democratic lines: "My hair stands on end."

On 6 July, the Commission for Party Work of the Central Committee issued an appeal to search for a new model of the PZPR "in the course of a comprehensive discussion." ZYCIE WARSZAWY carried this information under the title: "Got an Idea? Write or Call Us."

Ceausescu Interview With Iraqi Paper Noted

AU0108202489 Bucharest AGERPRES in English 1745 GMT 1 Aug 89

["President Nicolae Ceausescu's Interview With Iraqi Daily AL-'IRAQ"—AGERPRES headline]

[Text] Bucharest, AGERPRES 1/8/1989—In the interview he granted on 25 July to the editor in chief of AL-'IRAQ daily and released today, the Romanian head of state dwells on a number of issues concerning the country's economic and social progress as well as on aspects of the current international life.

—Romania's present and future development:

In the 45 years since the victory of the antifascist and anti-imperialist revolution of social and national liberation Romania has been up with achievements of historic importance. Today, the output of the Romanian industry is 135 times larger than in 1945 and the agricultural output is ten times larger. At the same time, national income is more than 40 times larger.

A particular part has been played for the economic and social development by the Ninth Party Congress, in 1965, which put an end to patterns and dogmatism, to the so-called "unique model" in the socialist construction, and returned to the whole nation its dignity and confidence in its own forces.

Throughout the interval we have attached particular importance to science, education and culture—decisive factors in ensuring the economic and social development along the path of socialism, in improving the standard of civilization and living of the people.

We have developed greatly the socialist property, in the form of the property of the whole people and the cooperative property, which have played a decisive part in their whole development of the country. We have come to these great achievements owing to the fact that our Communist Party has taken the responsibility to lead the whole nation towards a new system and has been creditably fulfilling its historic mission, and that is why it is followed in confidence by the whole nation. Yet, I wish to stress that everything we have achieved is the outcome of the work of the working class, the peasantry, the intelligentsia, of the whole nation. We believe that we succeeded in achieving all these important goals only owing to the fact that the whole people has conscientiously committed itself with all its might to the socialist transformation of the homeland.

Setting out from the current standard of development, the recent plenary meeting of the CC [Central Committee] of the RCP [Romanian Communist Party] has worked out the master programme concerning Romania's development until the year 2000 and, in certain domains, until the year 2010, which is to be passed by the 14th Party Congress. We plan to continue the policy of developing industry, agriculture and the other sectors of activity in a balanced way, based on the latest gains of science and technology in all the domains.

In this respect we have worked out and are improving a programme for the organization and modernization of all the sectors of activity. We envisage implementing under better circumstances the principles of self-management, self-administration and self-financing, setting out from the growing efficiency and economic profitability of all the sectors of activity. As a result, over the next five years and until the year 2000 the Romanian industry and the other economic sectors will grow at a six to seven percent annual rate. We believe that the current level of development of the Romanian economy is so that such a growth rate will meet Romania's needs as well as the general circumstances of the world economy.

By implementing these programmes we envisage Romania's passage, starting 1991, to a new stage of development—the construction of the superior stage of the multilaterally-developed socialist society and creation of conditions for passing in future (during the first decade of the third millenium) to the implementation of the communist principles of work and life.

Taking into account the prospects of a powerful development of science and technology, we plan to intensify research in all the domains and improve activity in the area of education. As a matter of fact, starting the next year the whole youth will be compelled to take 12-year education.

We also plan to develop amply the international—economic, technical and scientific—collaboration with other states, considering that nothing short of ample collaboration and active participation in the international division of labour will allow us to ensure equally the materialization of the goals set for the development of our homeland and Romania's participation in the general development of the world economy, in the materialization of new relations among all the nations in the world.

—Repayment of foreign debt:

Late in March, Romania paid off its foreign debt. Early in the decade our foreign debt amounted to over 11 billion dollars. Excessively high rates of interest caused us to pay huge amounts each year, which actually hindered the materialization of the programmes concerning the country's economic and social development.

We decided to start paying off this debt as soon as possible. Just as other countries did, we turned to the International Monetary Fund which suggested their own "prescriptions" which had to lead to the devaluation of the national currency, to inflation. That virtually spells the destabilization of the national economy. We initially accepted an accord with the IMF, but several months later we wrote off that accord, considering it not to meet

the economic facts of Romania, and we worked out our own programmes which afforded us paying off the entire foreign debt this year and at the same time economic and social stability and development.

Therefore there is no miracle involved. It is a realistic policy based on the force of the socialist economy, on the work of the Romanian people. Let me mention that over the interval we have not given up developing the forces of production. We further earmarked 30 to 33 percent of national income for development, making some 2000 billion lei worth of investment, that is the equivalent of over 200 billion dollars. Only by so doing could we ensure the materialization of the programmes for the general development of the country while also improving the standard of living. I have to mention it that over this interval on two occasions we improved the pay of all the working people and the pensions. We have also provided stability to prices—over the last five years no price rises have been made, either with the general ones or with the consumer ones.

We have decided never to resort to credit any more because we have come to the conclusion that the policy of the crediting financial circles in the world does not plan to help actually the countries which wish to develop themselves, quite the contrary, burdens them, turns them into sources of income for the rich countries, credits standing out as an obstacle in the path of economic ad social development.

—The democratism of the social system in Romania:

Passing on to building socialism in keeping with realities and conditions in Romania, we have set from the fact that we must achieve socialism with the people for the people. To this end we have set to ourselves to strongly develop the forms of revolutionary worker democracy which should ensure the active participation of all social categories, of the entire nation in the working out and the implementation of the country's home and foreign policy.

We have developed and pay special attention to parliamentary activity, to the Grand National Assembly which has a renewed composition, as deputies are workers, farmers, intellectuals, party activists, or activists of other public organizations this composition actually reflects the new social reality in Romania wherefrom exploiting classes have disappeared for good and all. There are several nominations for one deputy seat.

However, we considered that it was not enough, that no matter how much we improved the activity of parliament it could not ensure a direct participation of the present social classes in Romania, of the entire nation in management. That is why we have achieved a new system of democratic bodies, we have set up the working people's councils operational in all areas of activity. In industry at least 30 percent of the members of these councils work directly in production, but even in institutions, in education and other spheres there are workers that are members of the management bodies.

We have institutionalized the working people's general meetings as supreme bodies managing the activity in all economic and social units, starting from the fact that each collectivity owns part of the national wealth for which it is responsible.

We have set up local organisms of these councils as well as national bodies.

We are of the opinion that we have created a new, democratic system, superior by far to any form of parliamentary democracy which, I repeat, ensures the people's direct participation in the management of all sectors of activity. Certainly, in this framework, the Romanian Communist Party has the mission of rallying the efforts of the entire people and plays a decisive role in the elaboration of the general line, of the strategy of socialist construction.

—The state of world economy and the role of summits of industrialized countries, of other international forums:

The situation of the world economy is grave. In the current decade the situation of the developing countries has deteriorated continuously.

It is in this framework that the meeting of the seven rich countries should be viewed which has assumed the right to decide how various problems must be solved and how the world economy should develop in future. It is true that since 1975 and until now the meetings of these countries have led to nothing but to a more marked poverty in the developed countries themselves, and underdevelopment, to a growing unemployment, more poor and homeless people, to the expansion of illiteracy and crime, of drug addiction. Were we to judge by these facts alone we could say, without fearing to be wrong, that the meeting of the seven rich countries—or of the leaders of the seven rich countries—did nothing to help overcoming the very serious problems. On the contrary these problems have aggravated. The serious economic issues confronting mankind must be solved jointly by all countries—at an international conference—on the basis of new principles of interstate relations, of a new world economic order. In this framework the question should be approached concerning the radical settlement of the foreign debt through the writing off of some debts, the reduction of other, the long-term scheduling of remaining credits at low or no interest rate. This presupposes the establishment of a new framework of economic and financial relations which should exclude the possibility of a recurrence of such a state of affairs.

As far as we are concerned, we are of the opinion that the meeting has led to nothing good for the developing countries, for the world economy in general. However, it

has reiterated some theses of the cold war as regards the continuation of the nuclear deterrence policy, the participants setting themselves to actually perpetuate their interference in the affairs of other countries, and support antiprogressive and anticommunist activities.

The meeting of the seven poor countries took place at the same time. And they, just as other poor countries, called on the seven developed countries to reach an understanding or—at least—to agree upon the convening of an international conference. But their proposals and appeals were not listened to. Which means that the poor countries, the developing countries must draw appropriate conclusions to strengthen their solidarity and cooperation and work in full unity to make the rich countries take a realistic stand.

We are for an international conference. We think that only with the participation of all states can realistic solutions be found to meet all states' interests.

—The need for the democratization of international relations:

In its international activity Romania has always set from the need for the development of relations among all the states of the world, irrespective of their social system on the basis of the principles of fully equal rights, respect for independence and sovereignty, noninterference in domestic affairs and mutual advantage.

The participation of all peoples, of all states in the settlement of international issues must be ensured no matter their size or social system. Certainly, this presupposes renunciation by great powers of the policy of strength, of the use and threat of force, of their wish to maintain and consolidate their dominant position in the international life, over various states or groups of states.

There is much talk now about a "new thinking" but as long as this policy—of domination—is not given up it is difficult to talk about a new thinking and more particularly about a new orientation and a new policy apt to ensure relations of full equality among all states. But there is no other way. The war threat is so great that a real democratization of the world life should be achieved which, I repeat it, presupposes conditions for all states' participation in the settlement of problems as well as observance of their independence, of their right to order their life as they wish. The future belongs only to such a policy.

—Romania's contribution to the strengthening of international security and peace:

Disarmament, the complete liquidation of nuclear weapons, of other weapons of mass destruction, chemical ones included, and the achievement of a substantial cut in conventional weapons, under an appropriate international control are the major issues of the present-day world.

Many of the current conflicts and states of tension are the outcome of the policy of force and dictate, of interference in the affairs of states, of violation of independence and sovereignty pursued by imperialist circles.

Now there are some good signs, if I may say so. A passage has been made to solving conflicts by means of negotiations.

Romania has always declared for renunciation of the military way in solving any problem and for an exclusively negotiated settlement of litigious issues. We have always been against foreign military bases in the territory of states, for the creation of nuclear- and chemical-weapon free zones, ridded of military bases. We back the establishment of a like zone in the Balkans—as we support the creation of a zone without such weapons and foreign military bases in the Indian Ocean, just as in other parts of the world. It is indeed high time that the great powers renounced the establishment of such military bases in the territory of other states in various parts of the world. This is a prerequisite for a genuine policy of cooperation and peace.

—Romania's stand on the Middle East issues:

We have always declared for an exclusively negotiated settlement of the problems between Iran and Iraq. We have welcomed the cessation of the conflict and voice our hope that a full accord will be reached as soon as possible to guarantee the peace and good neighbourhood between the two countries. As for the Middle East situation we have always been for a negotiated, political solution to the problems in that region conducive to a just peace. We have always set from the need for a guaranteed right to self-determination of the Palestinian people, to its own independent state included. We have worked and made a certain contribution in this respect. We have maintained the need for an international conference to be attended by all the countries concerned, by the PLO and the new independent Palestinian state, as well as by Israel, which should find a general solution and lead to the establishment of a lasting and just peace in the region. In our opinion, the present situation favours the organization of such an international conference. This requires that all states work in this direction so that an end by put to the present situation in the Middle East.

We are for a soonest possible striking of a full accord between Iran and Iraq on all questions concerning the restoration of peace and good neighbourliness. Undoubtedly, there are questions, like that of prisoners, which must be solved appropriately, and not necessarily under a general accord. Therefore, it is possible that the sides should solve the prisoners issue sooner—and we would welcome it—which would bear positively on the course of negotiations.

—Romanian-Iraqi relations:

The relations between Romania and Iraq may be assessed as good. They have witnessed continuous development a decisive role being played in this respect by the meetings of the leaders of the two states.

Under the current circumstances, when Iraq passes on to implementing vast economic and social development programmes, we think that broad possibilities exist to expand the Romanian-Iraqi cooperation in all areas. This is also possible due to Romania's development programmes. We will work to continually develop the friendship and cooperation between Romania and Iraq. I would like to say in this context that the development and continuation of contacts at top level—hence President Saddam Husayn's visit to Romania—would be of particular importance in this respect.

Daily on Need To Strengthen Party's Role

AU0108180089 Bucharest AGERPRES in English 1710 GMT 1 Aug 89

["The Romanian Communist Party—Promoter of Perfecting Society—Excerpts From an Article Put Out in SCINTEIA of 1 August"—AGERPRES headline]

[Text] Bucharest, AGERPRES 1/8/1989—The draft master programme and the theses for the Fourteenth RCP [Romanian Communist Party] Congress emphasise the idea that the implementation of the important development programmes prefigurated until the third millennium should be ensured by perfecting all fields of activity in the Romanian society.

The major target of this vast perfecting process is the ensurance of a full concordance between the organization and management forms of society. In the profound sphere of renewal and continuous regeneration is manifest the leading role of the party, the strategist, organizer and dynamizer of the entire process of revolutionary changes. This process has acquired a programmatic, organized character especially after the Ninth RCP Congress when—dogmas, the obsolete theory of the "single pattern" being renounced with revolutionary daringness—measures were adopted for perfecting the activity of party organs and organizations, for developing internal party democracy—as component of revolutionary worker democracy, for powerfully manifesting the critical and self-critical spirit as vital requirement for the implementation in good conditions of the party's leading role in all fields of activity. Starting from our country's concrete realities, re-thinking and re-elaborating function of these conditions and of the contemporary world realities a series of theses, concepts and interpretations, giving a scientific, original answer to the questions put by life, by the continuous development of the new system, the RCP has capitalized the huge potential of progress of socialism, its huge resources of self-perfecting. This proves with the power of facts that there is not possible and cannot be possible the perfectioning and development of socialism without a single party of the working class.

Realities emphasise that the existence in socialist countries, in the countries embarked on the path of independent socioeconomic development of single, powerful parties with a revolutionary or progressive outlook capable to ensure the united action of each people in the fulfilment of socialist construction targets, of the independent socioeconomic development, is a logical process. There are much more unconceivable the tendencies—in certain countries—to weaken the leading role of the party, as well as some conceptions to return to the so-called "many-party system" characteristic of the society's division into antagonistic classes and representing an obsolete stage for socialist countries. The fact should arouse suspicion that those tendencies are applauded frenetically by the reactionary circles in capitalist countries which, under the pretence of creating several parties, are working in fact for the weakening and liquidation of communist parties as they have made—with grave consequences and failures—along the history.

In this context the clear, firm conception, that opens broad prospects, reiterated at the plenary meeting of the CC [Central Committee] of the RCP of 27-28 June by the RCP general secretary is all the more important: "In consideration of the grandiose goals of socialist and communist construction in our homeland, we must continuously improve the activity of our party, enhance its leading role in all areas, work most firmly to raise the political, ideological level, the combat and revolutionary spirit, improve party democracy and continuously strengthen the party's links with the broad masses of people, with the entire nation."

This outlook synthetically expresses the indissoluble unity between the improvement of socialist society and the enhancement of the leading role of the party, just as the dialectical relationship between the improvement of the party activity and of the social life. Having as aim the knowledge and translation into fact of party resolutions and the country's laws, of the development programmes, the political-organizational work is improved through the assertion of highly significant principles: the strengthening of party organizations in all areas of the social life, in all socialist units, and their deep commitment to solving all problems; the blending of democratic centralism with a broad internal party democracy in unitarily managing society; the judicious distribution of forces to cover all tasks and spheres of activity; the harmonization of collective management with individual responsibility in work; formation of staff and their proper specialty and political-ideological training; the exercise of an operative, palpable and efficient party control; the discovery and removal of shortcomings; the resolute promotion of the new, of the militant, revolutionary spirit in work and life.

A highly significant stage of the vast process of improving the activity of the party and of the entire society is the debate by the entire party and people of the documents for the Fourteenth RCP Congress. These debates, expressions of the profound democratism of our system, of the people's participation in the making of its own future—are also opportunities to improve work in all areas, to the end of fulfilling the socioeconomic development plans and programmes, of the country's continuous progress.

Stari Trg Miners on Strike, Talk With Leaders

LD0108153189 Belgrade TANJUG Domestic Service in Serbo-Croatian 1425 GMT 1 Aug 89

[Text] Titova Mitrovica, 1 Aug (TANJUG)—The miners from Stari Trg are again on strike today. This time the cause lies in unpaid personal incomes for June. At first 240 miners from the third shift stopped work, demanding to be told when exactly they would receive personal income for the last month. This morning workers from the first shift joined the striking miners putting forward the same demand. This afternoon they were joined by the workers from the second shift. Immediately following the work stoppage last night, the leaders of the Stari Trg mine held talks with the miners.

Mehmed Ajeti, president of the Titova Mitrovica League of Communists [LC] Municipal Committee, and Ljubomir Radovic, acting chairman of the combine's management board, acquainted the miners with the difficulties facing the combine, in particular the difficulties facing the mine work organization in Stari Trg. The miners were told that for several months in this work collective unearned personal incomes have been paid out and that the greatest efforts are being made to ensure funds for the wages, not because they are on strike today but because it was high time to pay their personal incomes. No one, however, could say with certainty when the miners would receive their wages, so they remained dissatisfied and continued the work stoppage.

The Titova Mitrovica Municipal Committees for all-people's defense and social self-protection is in session and issued a statement saying that on the basis of the information collected to date there is a possibility of another work stoppage in the Trepca mine in Stari Trg, as well as in some other work organizations in the city. The cause for a work stoppage, the statement says, lies in unpaid personal incomes, though according to some reports it is possible that the work stoppage also has a political character and that it was organized by certain hostile elements who are trying to use the difficult financial situation to continue destructive activity and to prevent the stabilization of economic and political conditions in Trepca. According to the assessment of the Titova Mitrovica Municipal Committees for all people's defense and social self-protection, the problems surrounding the payment of personal incomes in Trepca are the consequence of the failure to realize production in the first 6 months of this year, as well as of financial difficulties in the combine.

Members of the committees for all people's defense and social self-protection believe that in order to deal with the problems it is necessary to undertake special measures to correctly inform workers about the consequences of the activities of a number of workers and leading people, who believe that the payment of personal incomes could be carried out under pressure and through blackmail, regardless of the fact that production and plan tasks are not being realized. The Municipal LC Presidium is also discussing these problems today in Titova Mitrovica.

Soviet Deputy Chairman Silayev on Visit

Meets With Markovic

LD0108044189 Belgrade TANJUG in English 2138 GMT 31 Jul 89

[Text] Belgrade, July 31 (TANJUG)—Yugoslav Premier Ante Markovic this evening received Vice-Chairman of the Council of Ministers of the Soviet Union Ivan Silayev, who is visiting Belgrade.

Markovic and Silayev underscored mutual readiness to invest joint efforts toward finding comprehensive solutions for overcoming the problems in the two countries' economic cooperation. The talks focused on ways to decrease Yugoslavia's high surplus by increasing visible trade and though joint projects. The two sides underscored the mutual interest in considering the possible construction of a gas pipeline, which would substantially decrease Yugoslavia's credit balance.

Markovic (?underscored) that it was necessary to find new solutions for strengthening economic cooperation between the Soviet Union and Yugoslavia on a long-term basis, as a foundation for overall relations between the two countries.

Economic Delegations Confer

LD0208022489 Belgrade TANJUG in English 1810 GMT 1 Aug 89

[Text] Belgrade, August 1 (TANJUG)—The intergovernmental committee for economic, scientific and technical cooperation between Yugoslavia and the Soviet Union agreed at its session today that the overall trade volume between the two countries should gradually increase. Yugoslav delegation was headed by Deputy Prime Minister Aleksandar Mitrovic while Soviet delegation was led by First Vice-Chairman of the Council of Ministers Ivan Stepanovich Silayev.

An agreement in principle was reached that a part of the Yugoslav surplus be compensated for through early payment of inter-state credits and engagement of Soviet enterprises in the realization of major capital projects in Yugoslavia.

Soviet partners should now consider Yugoslavia's proposal that a part of the favourable balance in mutual trade be turned into joint investments in Soviet enterprises which would manufacture goods for the Yugoslav economy.

The Yugoslav trade surplus with the Soviet Union was this year reduced from 1.7 billion dollars to 1.469 billion dollars. The overall trade between the two countries last year stood at 4.112 billion dollars.

Compared to the January-June period (?last) year, this year's trade was increased by 14 percent in the corresponding period. This year's protocol provides for a balanced trade with barter deals exceeding six billion dollars.

Milosevic Briefs Officials on Serbian Reforms

AU3007152089 Belgrade POLITIKA in Serbo-Croatian 26 Jul 89 p 1

[Text] Following the publication of a document "The Basic Stands on the Reform of the Political System," Slobodan Milosevic, president of the Serbian Presidency, has sent a letter to the presidents of other republican and provincial presidencies with the following content:

Comrade president,

The Commission for Reforms of the Presidency of the Socialist Republic of Serbia has established its basic stands on a reform of the political system.

We are forwarding you this document in order to inform you about our views on these important issues, that is to say the basic stands for which we will strive within the framework of our joint and equal responsibility concerning the changes to the SFRY Constitution. We will welcome and carefully examine all your documents or initiatives of this kind that are in the interest of a successful realization of profound changes in our society without which, in our belief, it will not be possible to realize all the progressive aims which are the condition for overcoming the crisis and the successful and democratic development of Yugoslavia as a federal and socialist community of equal nations and nationalities and equal and free people.

The ongoing crisis demands from everybody to do everything they can in order to surmount the crisis, above all by developing democratic relations which will broaden the rights and freedoms of citizens, affirm the rule of law, eliminate injustice and unjustified social differences, and carry out a reform of self-management and the rationalization of social institutions in accordance with our firm orientation toward the market economy.

We are convinced that we can fully establish the foundations for the changes in the political system this year on the basis of our unified interests and through the joint work in the federal organs, above all the SFRY Assembly and its Constitutional Commission.

Comradely regards, President Slobodan Milosevic

Bosnian League Comments on Interethnic Relations

AU2907172789 Belgrade BORBA in Serbo-Croatian 26 Jul 89 p 12

[Maristela Lucic report: "No Pussyfooting About Divisions"]

[Text] Sarajevo, 25 Jul—As part of the preparations for the next plenum of the Central Committee of the League of Communists of Yugoslavia [LCY], the Presidium of the Central Committee of the League of Communists [LC] of Bosnia-Hercegovina, together with the members of the LCY Central Committee from Bosnia-Hercegovina, in a discussion today expressed their key stands on interethnic relations. The stands were virtually adopted by the republican Central Committee last year and were summed up in a special document. It was said in the discussion today that the LCY Central Committee members from this republic will appear at the plenum on the most united ideological and political platform possible and will present the adopted stands on interethnic relations in an aggressive way.

In his opening speech, Nijaz Durakovic, president of the Central Committee Presidium of the LC of Bosnia-Hercegovina, stressed that the views of the LC of Bosnia-Hercegovina will be precisely and categorically presented at the plenum to the effect that this LC, as an integral part of the LCY, cannot accept all the things that have been directed as a peculiar form of pressure against Bosnia-Hercegovina especially lately, and that at the same time there has been no actual support coming from certain parts of the country to put an end to all this bargaining, tendencies to introduce divisions, support for conflicts, and so forth. The LC of Bosnia-Hercegovina is resolutely supporting the view that, regarding the organization of meetings, it does not accept any gatherings causing national homogenization or directly leading to divisions on ethnic foundations.

Against Meetings

We should not accept any form of meetings outside the organized socialist forces and outside the existing regulations and laws, Durakovic said. The LC of Bosnia-Hercegovina will resolutely oppose any form of gatherings based on the slogans, "Muslims, get together," "Serbs, get together," "Croats, get together," and so forth, which unfortunately has been happening lately at sports matches or even at some actions which are more and more organized, Durakovic said. At the plenum, the view will be advanced that the LC of Bosnia-Hercegovina does not conduct, and cannot conduct, any overall policy on a national basis nor a segmented policy of that kind. The policy of the LC of Bosnia-Hercegovina must be uniform for all the republic, and not partial, and especially not built on a national basis. The members of the LCY Central Committee from Bosnia-Hercegovina will support the essence of Tito's policy in the field of

interethnic relations and an affirmation of the fundamental AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] principles on equality, the federal system, brotherhood and unity, and the socialist self-managing togetherness of all our peoples and nationalities.

He added that at the plenum, they will insist on a full and consistent resolving of all disputed questions, and warned that the present differences would be catastrophic for the outcome of the 14th extraordinary LCY Congress itself, unless they are overcome. One of the key positions of the LC of Bosnia-Hercegovina is that this republic will not allow separate national institutions to be set up, be it in politics, culture, education, science, or sports. This republic will oppose nationalistic occurrences with all the means, political and ideological, and if need be even with the force of law. The LC of Bosnia-Hercegovina requests other leaderships, and expects them, to put a stop with their conduct and practical activities to all who proselytize and provoke national strife.

In his opening speech, Nijaz Durakovic also referred to the attempts of clerical-nationalists and similar attempts to divide people and nations on a religious basis. The Bosnia-Hercegovina LC will not allow religion to be transformed into politics and ideology, and it will not allow manipulation of religious feelings on behalf of everyday politics.

In the discussion today, many members of the LCY Central Committee from Bosnia-Hercegovina broached the question of whether the next plenum of the LCY Central Committee will quite openly discuss the interethnic relations and clashes in the country. Muhamed Abadzic believes that one gains an almost uniform impression from the statements and conclusions of the discussions in central and provincial committees on the subject of interethnic relations that nationalism is flourishing in Yugoslavia and that it threatens to endanger the basic foundations of the revolution, but that interethnic relations are stable and sound in one's own republic or province. Abadzic believes that one also gets this impression from the statements on talks between the several republican leaderships. If the relations are as idyllic as they are presented, Abadzic asked what purpose will be served by the LCY Central Committee session discussing interethnic relations.

The Wrong Card

We are persistently avoiding the fact that rifts on a national basis have already seriously begun in Bosnia-Hercegovina, said Muhamed Abadzic. In his fairly long speech, he mentioned among other things that one homogenization causes another and said that this could have been seen at the recent celebrations of Bairam. The mosques were full and Bascarsija [the bazaar in Sarajevo] was not open, despite fines, said Abadzic. He mentioned Gacko where, according to rumors and minor incidents, relations between the Serbian and Muslim inhabitants were seriously threatened and even a special report was requested from the Secretariat for Internal Affairs as to who possessed more weapons, Serbs or Muslims. He warned that Knezina should not become a Knin or Plav [places in Croatia and Montenegro respectively, where interethnic tensions have arisen] and that such a thing should be stopped using all legal means. In all of these cases, Abadzic thought, we forget the basic rule that everyone must above all fight against their own nationalism, that is the nationalism in their own community.

Abadzic also dealt with Kosovo and thought that along with Albanian nationalism, a danger was objectively posed by Serbian and Montenegrin nationalism, but there is the impression that this nationalism does not exist at all, as he said.

It is futile—I think that we should say this clearly in the LC—to expect that Bosnia will join "the east or the west winds," so that when it is assessed that it could go "westward" then there are attempts to deliberately organize the people coming onto the scene in Bosnia-Hercegovina, but when it is assessed that it could go "eastward" then the doubt is introduced that the leadership does not have a clear stand on the events in the country and similar stupidities, said Ivan Cvitkovic. I do not know who wins in Yugoslavia by playing the card of nationalism, because this card always loses and today it is losing above all in one's own community and among one's own people.

In his long speech, he also dealt with, what he called, the repeat attack on the national affirmation of Muslims.

We in the Bosnia-Hercegovina LC sorted out 20 years ago the ethnic particularities of Muslims in detail, but now under the guise of supposed fear of Islamic fundamentalism, the national essence of the Muslim people is being attacked in the crudest way, said Cvitkovic.

Darinka Djuraskovic asked the question whether this plenum will again smooth over matters and the situation will develop in the same way as it is today, or will all problems concerning interethnic relations be openly discussed.

The other members of the LC also stressed in the debate today that at the upcoming plenum of the LCY Central Committee, the delegates should speak and discuss the facts and arguments in a cultured dialogue.

POLITIKA on 'Neo-Feudal Self-Sufficiency'

AU3007151189 Belgrade Domestic Service in Serbo-Croatian 0300 GMT 30 Jul 89

[From the press review]

[Text] All the dailies feature front-page articles on the 2-day session of the League of Communists of Yugoslavia Central Committee on interethnic relations that

begins today. The essence is that the only reliable road to overcome the crisis, and thus to affirm every people and nationality, is the creation of a comprehensive movement for social reform.

Interethnic relations are also the subject of a POLITIKA article entitled Fear of the Federation. The article says that Yugoslav socialist patriotism has become the millstone around the neck of the theory of the neo-feudal self-sufficiency, and it has been unsuccessfully replaced by narrow-minded republican regionalism.

A constant insistence on differences, and anathematizing all (?uniting features), has created in this sphere an anti-civilizational chauvinist guerrilla that causes justified fears, POLITIKA says.

The political appeals voiced at present are insufficient and futile in themselves, POLITIKA says in its article and concludes that without an energetic elimination of the well-known causes leading to interethnic strife, appeals to reason may be in vain.

Markovic Interviewed on Economy, Policy

AU2807070189 Belgrade BORBA in Serbo-Croatian 26 Jul 89 pp 1, 3

[Interview with Ante Markovic, president of the Federal Executive Council, conducted by Dragoljub Zarkovic and Djoko Kesic in BORBA's offices: "Now We Can Carry Out Our Policy"—date not given]

[Text]

The System Will Be Completed

[Question] Your program, which you presented to the Federal Conference of the Socialist Alliance of the Working People of Yugoslavia, was widely accepted and supported. Since assuming the office of the president of the Federal Executive Council [FEC], has practice shown you to have been wrong, and to what extent and in what way? In other words, have you abandoned any of your ideas?

[Markovic] Nothing has happened in practice that I have not expected. I do not think that we should abandon any ideas, especially the program. As you know, I predicted that our program would be opposed by all conservative, dogmatic, and ultraleft forces and that it was only a matter of time until they were going to organize themselves against this program.

[Question] Supporting your concept of reducing inflation, we think that in order to affirm this concept, it would be good if you publicly answered the following question: When can we expect the first tangible results?

[Markovic] The question is: What are tangible results? Considering that my assessment of inflation is known, namely that inflation is of a systemic character, as well as of a structural and developmental character, that it is cost-push inflation, that it is caused by demand, and that at a certain level inflation becomes self-generating, one should really speak about all the elements that cause inflation, that is to say, create prerequisites for its reduction.

Regarding the systemic prerequisites, we have drafted all basic systemic laws and initiated a process concerning their adoption. Those that have been adopted so far are essentially in the form in which we proposed them, with only some minor corrections.

It remains to be seen how other laws, the laws that are still being considered, will fare.

One should also mention several other new laws concerning the securities market and securities themselves. There are also all those things that should help to complete the system. Therefore, it is realistic to expect that the building of the system will be completed by the end of the year and that the system will in fact begin to function next year.

As far as the macroeconomic policy is concerned, it has already been operational for some time. It is in fact the macroeconomic policy that is now experiencing the first criticisms. I would say that we have fewer criticisms concerning systemic changes and that the criticisms concerning the macroeconomic policy are more serious. You have already seen the problems concerning the adoption of the budget, and the adoption of the budget is one of these measures.

As far as I know, nobody in the world has reduced inflation without reducing public expenditure, and we have now substantially reduced it. You realize that the budget's share of the social product is below 8 percent, and that the budgetary expenditure is rising at a rate which is 30 percent lower than that at which the social product is rising. We are also demanding that such moves are made in the republican and provincial budgets, in the communal budgets. This is very important for identifying all deficits. We have established where deficits are at the federal level. We demand the same throughout the country, that the same is done in banks and work organizations.

I recently held talks with the Yugobanka representatives. They are fully aware that they cannot found a new bank without identifying all their losses and without knowing how to recover them or how to eliminate loss-sustaining sections from their banking system. The same applies to work organizations, which should also organize themselves according to the new conditions by the end of this year.

There are also some other elements of the macroeconomic policy that should be used by the federal state, and we know what they are. These are the monetary policy,

the policy of economic relations with other countries, and the fiscal policy. It is also known to what extent we can influence these policies. We can tackle inflation with foreign exchange.

[Question] Liberalized imports are important. What will happen next?

[Markovic] The trend of rising production is continuing, and exports have increased significantly. What we predicted has happened: There has been a turnabout in exports and imports. In the first 6 months, exports to the convertable currency markets have increased 26.7 percent. I do not recall that we have ever had such monthly increases in exports. At the same time, imports have been falling and are showing a tendency to fall further, although we are not restricting imports in any way. So far we have liberalized 70 percent of the imports and we will continue this liberalization, probably by an additional 5 or even 10 percent. We agreed on that recently. Regardless of the fact that there are no import restrictions, imports are showing a tendency to fall and exports to rise.

As a result of this, and of our policy toward the right to possess foreign exchange and purchase it from the citizens, we now have a record amount of foreign exchange reserves. This morning foreign exchange reserves stood at $3.8 billion, of which the National Bank of Yugoslavia used $314 million to repay short-term foreign loans. This means that had the National Bank not repaid these short-term loans, our foreign exchange reserves would have stood at $4.1 billion.

Unfortunately, reserves like this have their negative side too. Of course, large foreign exchange reserves exert pressure on the supply of money, as does clearing, with which we have had and will have many problems. This is why we are now considering how to use part of these reserves to combat not only inflation, but also to induce development as a whole. In any case, we can now carry out our policy. Nobody was able to combat inflation without solving the problem of their external liquidity. Our external liquidity is so favorable at present that we can not only service all our debts in time and give up the idea of rescheduling the interest payment, but also carry out further liberalization of imports. One should also add that by the end of this year we will receive something between $400 and $500 million that is owed to us.

We will not spend foreign exchange on anything. We need to retain part of our foreign exchange and carry it over as reserves for next year.

However, one thing is certain: What is happening on the foreign exchange market at present is something that will have a great influence on the battle against inflation in the second part of this year.

We should also mention everything that we are doing in the monetary sphere.

I must say that as far as clearing is concerned, we have not abandoned anything. We have only abandoned one decision which we knew did not have a completely clear legal basis in view of the possibility that someone could question it. However, we then made three moves. First, we proposed changes in the Foreign Exchange Law (Article 143-A which would give us the legal right to carry out such decisions). We knew that the procedure concerning its adoption would take at least 2 months. We also started a procedure concerning a new bill on foreign exchange dealings which envisages the same thing, but to a much greater extent, and which will provide us with the right to carry out an exchange rate policy, as well as some other rights that the FEC is lacking at present, the rights that would enable it to conduct an independent policy of economic relations with other countries, as well as a monetary policy.

We knew that both of these things will take at least 3 months and did not dare risk the possibility of a clearing surplus rising for 2 more months. In this year alone, the clearing surplus rose by $500 million. After we have adopted these measures (and not only these measures; there is a number of other measures that we were allowed to adopt), as well as the measures which were undertaken to stimulate imports from the USSR, our clearing surplus (which amounted to $492 this year) was reduced by $276 million. It is realistic to expect that this surplus will be completely eliminated by the end of this year, as we stated in the balance of payments forecast which has been adopted.

Regarding long-term solutions, you must have already read what we are proposing to the USSR such as gas pipelines, wood, exploitation of mines, and so forth in which we would invest our surplus, because if we do not invest in some new resources from which we will obtain new goods, we do not stand a chance of solving this problem.

Also, you recall the trouble we had with the "Yugo-bills of exchange" [jugo-mjenica]. However, I must say that "Yugo-bills of exchange" are already working very well. The measures which we have undertaken to restrict the endorsements of the "Yugo-bills of exchange" from 40 to 20 percent are already working intensively. The legislature that passed the law and postponed the effects and role of the "Yugo-bills of exchange" until the end of September has in fact to a great extent unwittingly harmed the economy which it wanted to protect, because as long as the bill of exchange exists no other means of payments envisaged by the new laws can be used, ranging from acceptance notes to bills of exchange. However, this would be real bills of exchange, bills of exchange that are not a substitute for money, but are proper bills of exchange.

Check as Credit

In addition, we have also undertaken certain measures concerning the use of checks which will have strong anti-inflationary effects.

In addition to everything else that we have undertaken, this will be yet another additional move about which we will hold extensive discussions with economic entities. One thing is certain: Thanks to great production we have a surplus of goods for the third month running and supply is growing faster than demand, so that all kinds of money substitutes are being searched for to make sales possible.

It is evident from the way checks are used—not as the method of payment in cash, but as a means of credit—that the price of goods contains the cost of capital and the cost of goods. We were aware of the fact that the ban on using checks will not lead anywhere, and therefore we provided an alternative: to ban such use of checks, but to allow credit purchases with clear identification of what the price is and what the interest on the price of the good sold on credit is.

Through the new measures which we will soon be undertaking and which will allow additional imports, even including imports of finished goods, and through everything that we have done regarding agricultural products, I think that it can be realistically assessed that the inflationary wave, if I can say that, will reach its peak in the next couple of months—and then we will be able to talk about something different.

We already now have extraordinarily high foreign currency reserves and the National Bank is being asked to buy up $50 million every day. Our foreign currency situation is a quite new phenomenon which has not been experienced by any country with high inflation. For example, during talks with Michael Bruno (the creator of the Israeli model of the fight against inflation—editorial remark) I asked him about that. I also asked the IMF representatives how they would explain this. Everyone said that they did not know the answer because, under conditions of high inflation, foreign currency and money leave the country. In our country, the opposite is now the case. When I finally managed to make them answer, they linked the situation with the new government and its economic policy measures.

[Question] How will these reserves be reflected in the exchange rate of the dinar?

[Markovic] This is now putting us in the position whereby we can use all three categories for setting the exchange rate of the dinar. This means that we can consider supply and demand, and not just price indexation, and that we can also take into consideration the balance of payments. We will now work more toward a balanced exchange rate.

The interest rate must accompany this. We think, moreover, that the interest rate would in the near future have to be above the rate of exchange at least by an index point, no matter how marginal. We must stimulate dinar saving and the use of the dinar.

As you know, we have also based on this our position to eliminate everything that has happened with the setting up of the so-called duty-free shops which are in fact "berezka" shops [similar duty-free shops in the USSR] adapted to our conditions. We have not gone for eliminating these through administrative measures. We introduced taxes for them—except for those real duty-free shops which are on the border—and if they continue to develop then we will increase taxes and levies further until we have stopped their growth and gradually eliminated them.

We must make it possible to buy what is sold in these places in the normal way—in every shop—for dinars and this is what I think should be worked towards.

I could have very simply answered the question—when can the first positive tangible results be expected? However, I think that it would be neither proper nor correct to give a simple answer. There have already been some tangible positive results and more positive results will begin to appear, if I can say it like that, from this Summer onwards. At this moment it is difficult to assess how great they will be.

The Market Requires the State

[Question] In your opinion, where do the essential differences lie between the anti-inflation measures which the FEC proclaimed and the increasingly loud suggestions that an urgent and specific anti-inflation program is essential?

[Markovic] You would have to ask others that, I do not know what the difference is. I have asked them but they do not know how to answer. I must say that I have so far not heard one single coherent proposal which would outline this other anti-inflation program. The only thing that Comrade Boro Srebric said was—freeze. He had the opportunity to do this when he was vice president of the government. However, one thing is clear, I think: under conditions where no systemic, macroeconomic, or developmental prerequisites have been created and all others are as they are now—all doubtful debts, all mortgages, all deficits—these freezes could not lead anywhere. After a certain period of time—when goods would disappear, when the question would again be asked of whether we would introduce coupons or not—if prices were liberated again, everything would then erupt with the force of a volcano and no one would be able to control it any longer!

The FEC's anti-inflationary program is quite clear and is now coming to the fore with full force. Precisely because it is coming to the fore, problems are beginning which are expressed in the fact that the implementation of a consistent policy is being hindered at the federal level. If the FEC has to account for each one of its measures to the republics and provinces, then nothing will come of the way out of the serious situation. In some respects, the

market requires that we have an organized state. That organized state must operate as a state. Its role is to protect the market, to protect the independence of organizations.

Our program is very specific and we are now taking additional measures again. We are constantly coming up with new measures. This is logical. Everything cannot be done at once. One needs to be dynamic! There is the need for conditions to mature before something can be undertaken because, in the extreme case, had we immediately undertaken this strict monetary policy from the first day without having gone for liberalization first, then we would have immediately met with resistance in the whole of society. The social factor would have destroyed the entire policy. We have now built shock-absorbers into everything we do. Apart from increasing production, the liberalization that I spoke about also increased wages, it increased the foreign exchange input, and has now created a new atmosphere. This new atmosphere already exists. New price parities are being created in this new atmosphere without administrative intervention at any level and under the influence of the market, which are much more exact than any of us could have calculated on paper.

The Government Works Independently

[Question] What can you tell us about the reforms in the political system as a prerequisite for reform in the economic system?

[Markovic] I think that that is clear. We are now getting into a position in which it can be clearly seen that reforms are necessary in the political system and that their absence could seriously threaten the reforms in the economic system. Therefore, in the months to come, the FEC will have to insist on more intensive changes in the political system to help the changes in the economic system. As far as we are concerned, you know that we in the economy took a stand on the pluralism of ownership and thus formulated all the laws, which were adopted: the Law on Enterprises and the Law on Banks which already includes the pluralism of ownership. Therefore, it can be seen what consequences this has for everything else.

[Question] Does politics still interfere too much in the workings of the state organs, and particularly in their functioning?

[Markovic] In almost 4 months, politics has not interfered. We have worked in a very autonomous way.

[Question] Or has politics avoided this hot potato?

[Markovic] Well, we did not even give it to the politicians. I did not go anywhere for consultations. I did not ask anyone to cover us. I have to say, for example, that I was in the Presidium of the Central Committee of the League of Communists of Yugoslavia once to brief the members on what we were doing. Once in the State Presidency we discussed our measures for the last 4 months but nothing else. If it were not for these temporary measures now which we ourselves cannot vote on but which are left up to the Presidency, I would not be looking for the Presidency's support in this. All right, it can be said that the trade union "interfered" concerning the Law on Labor Relations and the payment of personal incomes but it had to "interfere" in this area. I would not have understood had it not "interfered" here.

[Question] Much is being said about foreign investments—yet it seems that capital has not moved more quickly toward Yugoslavia.

[Markovic] That is not quite the case although it is certain that some of our political problems—our mutual bickering, the demonstrations, the situation in Kosovo, and so on—have a certain effect on preventing interest by our foreign partners because they are asking for a politically secure situation, as well as an economic one.

On the other hand, it should be said that the high inflation also indicates that the economic situation is not good, so the question arises of whether or not to invest. However, despite both of these, we nevertheless have many new contracts concerning joint investments. I think that in the first 5 months of the year, the number of these has been double the number for the whole of last year. This is still not enough. I agree with the essence of the question but it cannot be said that there has been no response. There has been! After all, we now communicate, so to speak, daily with our foreign partners.

There Will Be a Surplus of Labor

[Question] It is said that because of the Law on Labor Relations some workers will find themselves without jobs.

[Markovic] This will not be because of the Law on Labor Relations! Perhaps something will happen because of it. It remains primarily because enterprises will have to transform themselves according to market conditions. We will in fact have two great changes in the economy of our country which will include a microeconomic factor or a factor of the internal economy. The first will be adaptation to the market, and the second, technological changes. Adapting to the market will cause a surplus of workers and adapting to technology will cause an even greater surplus. We have separated these two and we, among other things, gave priority in our development to the creation of a new structure. We will stimulate the creation of the new economic structure and not the improvement of the technological capability of the existing structure, which does not mean that one should fail to modernize in a technological way organizations which are capable of exporting or earning income. We will solve nothing by sticking to the same structure or only one higher level.

Therefore a certain level of unemployment will appear. However, this intensive new development of a new structure, which luckily is not capital intensive but labor intensive, opens up the greatest opportunity for resolving the problem of redundant workers. It is a question of developing all kinds of activities that we now virtually lack completely, beginning with small businesses and some industrial enterprises, to transportation, trade, and agriculture, up to intellectual services, architectural planning organizations, consultancies, and so forth. We lack the adequate structure demanded even by a market that is poorly developed, let alone the structure demanded by a developed market, which of course implies an integral market of goods, capital, and labor.

Regardless of this, for it is outside our powers, we have asked that all the republics, provinces, and communes prepare social programs. We envisage that a conversation with presidents of the executive councils of the republican and provincial assemblies will take place shortly, and one of the subjects discussed should be social programs. On the federal level, we can perhaps help a little more with a part of the turnover tax which we would channel in this direction. It would be difficult to do anything else besides this. Our basic contribution, as a federation, is in the new development program.

[Question] Is the lowest point of the crisis near?

[Markovic] There is a well-known poet who said: "When you think you are at the lowest point, listen. Can you not hear the knocking of those that are below you?"

It is therefore difficult to say where the lowest point of the crisis is, but regardless of this philosophizing about the lowest point of the crisis, I believe that we have created certain prerequisites for overcoming the crisis. However, considering that it is deeply entrenched and considering that it is a political, social, human, national, and interethnic crisis, and not only an economic one, it is difficult to forecast where the lowest point of the crisis is. Looked at from a purely economic angle, the lowest point can be seen, but these other factors are very important and cannot be neglected.

[The following passages are printed in several boxes within the body of the item]

I Am Not Resigning!

[Question] You have said that the end of the economic crisis can be seen, but that there exists a group of factors which of course are not purely economic in nature, but which are very important for the outcome of this battle, for the way out of the economic crisis. Do you foresee the danger that at any time, sooner or later, these two groups of factors will meet in a way that would mean the definitive fall of your program?

[Markovic] If I suspected this, I would not do what I am doing; I have no intention of stepping away from the program which for the time being has no alternative! I have also heard some messages of this nature, and I take them into account, but I am doing what I had said I would do when I was entrusted with this office. I have reckoned with the resistance of the privileged, conservative, dogmatic, and ultraleft forces from the beginning, and I have clearly said that.

Unified Market

[Question] Is it possible that the current economic policy measures would be so differentiated that you will have your cake and eat it too, or rather can the FEC ever say, without specifying the republics and provinces involved, which collectives are hurt by some measures and which collectives are stimulated, and what the government policy is in this respect?

[Markovic] The government policy is completely clear in this respect. We urge the formation of a unified economically integrated Yugoslav market, as a part of the world market. Therefore, the government will not consider any of its measures, as it has never intended to do, according to how much it affects an enterprise or a part of this country. The only criterion is whether the measures support progress and exert pressure in favor of progressive changes in our country, primarily in its economy, and all the rest follows from that.

Unearned Income Is Distributed

[Question] Tell us something about the reasons for the government's insistence on preventing the payment of wages in several installments.

[Markovic] Regarding the current payment of personal incomes, I can tell you that we do not intend to drop our proposal. It may be voted down, but we will not drop it! We will insist to the end that the payment of personal incomes at shorter intervals than 1 month should be prevented, knowing full well that the theoretical reason for this is that more frequent payments multiply inflation. There can be no dilemma about this matter as far as we are concerned.

In this connection, we do not intend to interfere at all in the distribution of personal incomes. We only do not agree that indexation should be carried out twice per month, or weekly, or daily. If anybody can calculate the trading results every day, all honor to him, but then let him pay daily. Unfortunately, indexation has prevailed in our country, and one distributes what has not been earned, with fatal consequences in the growth of prices and inflation.

Holes in the Budget

[Question] Serbia's key argument which the FEC has not adequately answered goes like this: Why has the government resorted to increasing the rate of basic turnover tax instead of the special tax that is possible according to Amendment 32 of the Constitution, which was one of the key criticisms from the Socialist Republic of Serbia in the debate on the budget readjustment? Do you think that the FEC's explanation that the special tax would increase administration from the level of basic organizations of associated labor to the federal level is quite sufficient or do you think that there is some sound economic reasoning in the Serbian calculations, according to which Serbia is particularly effected by the government's move?

[Markovic] This amendment was adopted as a compromise in the Constitutional Commission in order to find an answer to the question of how to provide financing for the Yugoslav People's Army.

I am totally against us having to recalculate any measure, including this one, according to how much it hurts which person. Finally, turnover tax is an original source of revenue for the federation and the federation has the right to set this tax. After all, from the viewpoint of calculations by region, it is all the same whether one increases the existing turnover tax or introduces a new tax for the same amount on the basis of Amendment 32 of the SFRY Constitution. And why has a turnover tax only for the Army not been directly established? There is no more serious reason than that this would require a great deal of administration. Just think what it would be like in a shop when you buy a pair of socks and 2 percent of the price would have to be calculated for the Army and 15 percent for everything else, and the same thing would happen for any other article, and calculations would have to be made daily!? We already have huge problems with accounting which are mainly administrative.

I will say something that is perhaps not so well-known. The budget actually foots the bill for the so-called inflationary tax because, among other things, the payment of its revenues is delayed by 1 month or even 45 days. We have now taken measures to shorten this period of payment, although not to the shortest possible time frame. However, not even this amount of time is sufficient. Any additional new administration will again extend this time and create a new "hole" in the budget, which will not be able to be covered by anything. Even the way that we have worked, there is a "hole" which emerged because of the 15-day delay in adopting the budget; because we do not have income for 15 days! This is now already clear and obvious.

"Clearing" Loans

[Question] Some of the people who advise you think that the idea should be examined of clearing our long-term loans to the USSR which amount to $460 to 500 million so that domestic enterprises become indebted to the National Bank. The National Bank would collect the interest from this, and while making repayments, reduce the money supply so that this operation may be doubly beneficial. Have there been talks with the USSR over such an operation?

[Markovic] There have been talks on all solutions which are worth considering and about this one, as well. However, we have still not concluded anything definite because we are waiting for an answer from the USSR.

The Account [Obracunski] Dollar

[Question] Does the government really intend to conduct such a policy to bring down the exchange rate of the account dollar even further by bringing it into the market?

[Markovic] There is no reason for us to set the exchange rate of the convertible dollar on the market and on the basis of supply and demand without doing the same for the clearing dollar. This therefore does not involve the intentions of the government but the logic of the job that it is doing.

Without a Loan for the Federation

[Question] Under the circumstances of the crisis, what do you think about the general loan for the revival of the Serbian economy, what effects do you expect it to have in the Yugoslav context as well—we mean economic effects—and are there any possible intentions of raising a general Yugoslav loan. Finally what economic, as well as political, prerequisites could such a measure have?

[Markovic] We have not intended and do not intend to raise a loan at the level of the federation. If certain republics do this, that is their business. The FEC does not even have the right to interfere in such decisions at the level of the republics and provinces. After all, as far as I know, Bosnia-Hercegovina has so far had two or three loans, Croatia has had one, and Macedonia has had one for employment, and so on—and the question of the relationship between the federation and the republic has never been asked in this respect. There is no reason for that question to be asked now either.

However, what you asked that is essential for me is—what will the federation do in this respect? We are developing a new market system which through its own economic logic gives total priority to joint investments and not to credit relations. Credit relations have so far dominated our economy—with well-known consequences. we will definitely endeavor to develop a new economic system in which joint investments will dominate—joint investments by domestic enterprises, citizens, and foreign countries, and so on.

Spending All the Way Down

[Question] Has the federal government any intention to oblige the republics and provinces to behave like you do in creating their financial and credit policies? Can you make them reduce their budgets?

[Markovic] What have we done at the federal level? We have reduced spending! And we now ask that spending be reduced all the way down at the lowest levels. We have no right to order a reduction in spending. Even the SFRY Assembly has no such right. It may recommend it. We have proposed that the SFRY Assembly adopt a resolution making such a recommendation, and it adopted such a recommendation.

Regarding the banks and enterprises, the law has put them in a position in which they must do such a thing; they cannot be reestablished until they determine their accounts. This is not a mean thing! It is perhaps the most difficult thing. When Borovo, or Agrokomerc, or Smederevo [steel mill] are reestablished as enterprises, they must show their deficits and search for the ways to abolish them, which the new system will facilitate in many respects through the right of investment, the capital market, sales of parts of enterprises, the formation of small enterprises, and so forth.

Estimating Bills of Exchange

[Question] You recently spoke about an increase in the money supply, the printing of money, and the amount of the fictional value of capital through the "Yugo-bills of exchange." Has the FEC estimated how the Yugoslav economy will be hurt by the abolition of "Yugo-bills of exchange" which are worth, according to the May analysis, 34 trillion dinars?

[Markovic] It is not completely true that we have not prepared any estimates. We have prepared some. We have not prepared estimates for a single enterprise, but for the economy in general. We cannot do this for a single enterprise anyhow. Only the enterprise can prepare estimates for itself, but we cannot. We have established on a general basis where this would lead. We bore in mind that exchanging "Yugo-bills of exchange" with ordinary bills of exchange, acceptance bills, and other normal market instruments of payment, as well as the capital market, would permit the sound part of the economy to survive this relatively easily. The enterprise that is incapable of surviving is maintained by artificial means at present anyway—at the expense of capable enterprises and through inflation—and should be sorted out in a particular way by using real resources, or it will have to go into liquidation.

Temporary Measures

[Question] You said that you do not like temporary measures but you nevertheless asked for them.

[Markovic] Temporary measures are part of the system, regardless of whether I like them or not. There are a lot of other things that I do not like but which I nonetheless do because I have to. The temporary measures were less harmful than leaving the country without a budget, when all the important functions of the federation were at the point of collapse. The most important thing is the responsibility for the job that I am doing.

If Only They Would

[Question] According to unofficial information, the Soviet Union recently decided to pay for all of the business that it carries out with other countries in hard currency and that it intends to apply this in the near future.

[Markovic] It would be excellent if they really did do this. However, they owe us a lot of money. This debt amounted to $2.3 billion but we have now reduced it by about $300 million to around $2 billion. What can be done with such a bill? If there were enough goods for us to import, there would be no unpaid bill.

A Positive Step

[Question] The impression is that the talks between the FEC representatives and the representatives of the Socialist Republic of Serbia resolved the dilemma in the Assembly surrounding the budget and clearing.

[Markovic] These talks had been arranged even earlier and were included in the talks that the FEC had in all the republics and provinces.

The talks with the representatives of Serbia coincided quite by chance with the decisions which were made by the Assembly concerning the budget. However, when we went into the talks in the Socialist Republic of Serbia we had already agreed upon a budget because the SFRY Presidency had voted on the Law on the Budget as a temporary measure. We had nothing to negotiate about and we did not do so. However, we did not indeed have anything against the Socialist Republic of Serbia withdrawing its reservations about the budget so that it was voted on in the regular procedure and not as a temporary measure, which is definitely something positive.

Administrative Reorganization

[Question] How is the reorganization of the federal administration progressing?

[Markovic] The deregulation that we are carrying out now has already had an effect on other parts of society and not just on the administration. Many of the tasks that have had to be done up until now in the various institutions of society will now no longer be done. Apart from that, the first stage of the reorganization has

already been completed and the second, which was facilitated by the adoption of the Law on the Administration, is under way. We will implement the third stage next year.

Prosecutor Investigates Press Attack on Markovic

AU2907204589 Belgrade BORBA in Serbo-Croatian 25 Jul 89 p 1

[Unattributed report: "'Government of Discord' Accused"]

[Text] At the beginning of July, the Federal Secretariat for Justice and Administration has requested that measures be taken to initiate appropriate proceedings against the author of the article, "The Government of Discord," which had been published in POLITIKA EKSPRES and reprinted in POLITIKA.

It also was requested that other responsible persons should be called to account, because the assertions made in the article contain elements of a criminal act, the Federal Public Prosecution says in its answer to a question by delegate Branko Skok (Socialist Republic of Croatia) regarding criminal proceedings against the author of the article. The answer was submitted to the SFRY Assembly today.

The prosecutor's request was submitted to the Republican Public Prosecution of the Socialist Republic of Serbia, which passed it to the District Public Prosecution in Belgrade, where the necessary reports and information is being collected so as to obtain relevant evidence.

10 Deputy Federal Secretaries Appointed

LD2807201389 Belgrade TANJUG Domestic Service in Serbo-Croatian 1332 GMT 28 Jul 89

[Excerpts] Belgrade, 28 Jul (TANJUG)—At its last session before the August break, the Chamber of Republics and Provinces today adopted the conclusions on the implementation of the Yugoslav program for Kosovo and the measures that will be carried out in the sphere of agricultural production, and forwarded its support to the Yugoslav delegation's platform for the forthcoming summit of the nonaligned countries in Belgrade.

The delegates of this assembly chamber verified the mandate of Montenegro's 12-member delegation to the Chamber of Republics and Provinces of the Yugoslav Assembly and appointed 10 deputy federal secretaries and adopted a number of legal provisions.

Although certain results in changing the situation in Kosovo have been achieved, the basic aims of the Yugoslav program are not not being realized and the emigration of Serbs and Montenegrins is more intense than in it was in the recent years, Branimir Pejkovic, member of the Federal Executive Council, said in his introductory address concerning the report on implementing the Yugoslav program for Kosovo.

The return of the emigrated, as he said, has only begun and the conditions must be ensured for a more serious execution of this task. There is no such thing as sufficient success in carrying out the tasks from the sphere of demographic policy, improving the state organs' work, working and political differentation, and the security of citizens' property, Pajkovic said.

To successfully implement the obligations from the program it is necessary to have a more comprehensive and versatile coordination of all the executives of the tasks, Pajkovic stressed, by speaking in favor of providing the public with responsible and objective informing on the situation in Kosovo. [passage omitted]

The losses in the economy of the Socialist Autonomous Province of Kosovo are high and amount to 30.6 percent of the country's economic losses. The rate of debt is significantly higher compared with the average rate in the country as a whole. More than 1,264 trillion dinars had been sent to Kosovo by 15 April for overcoming difficulties and the problems of development. However, the economic situation in the province is such that it is unrealistic to expect that industrial production can reach its level of 1988. [passage omitted]

At the proposal of Federal Executive Council President Ante Markovic, the Chamber of Republics and Provinces today appointed 10 deputy federal secretaries. Milivoje Maksic (Serbia), is appointed deputy federal secretary for foreign affairs; Stane Brovet (Slovenia), the deputy federal secretary for national defense; Bozo Jovanovic (Serbia), the deputy federal secretary for foreign economic relations; Vuk Ognjanovic (Montenegro), the deputy federal secretary for finance. They were holding these posts even before the appointments.

Branko Maricic (Serbia), hitherto vice secretary in the federal secretariat for economy, was appointed deputy federal secretary for trade; Milenko Sarac, hitherto deputy federal secretary for economy, was appointed federal deputy secretary for energy and industry; and Cedomir Pavlovic (Croatia), deputy director general of development and investments of the Zagreb Railway Transport Enterprise, was appointed deputy federal secretary for transport and communications.

Antun Seda, director general of the Vupik Combine from Vukovar, was appointed deputy federal secretary for agriculture; Mato Pacak (Bosnia-Hercegovina), hitherto deputy president of the Federal Committee for Labor, Health, and Social Welfare, was appointed deputy federal secretary for labor, health, veterans' affairs, and social welfare; and Svetdozar Zvecar, hitherto deputy federal secretary for legislature, justice, and federal administration, was appointed deputy federal secretary for justice and federal administration.

A proposal for the deputy federal secretaries for internal affairs and development will be submitted at a later stage. [passage omitted]

Vlasi's Wife Appeals to Drnovsek for Fairness

AU0108162589 Zagreb DANAS in Serbo-Croatian 25 Jul 89 p 10

[Letter from Nadira Vlasi to Janez Drnovsek, president of the SFRY Presidency: "Who Needs This?"]

[Text] Several times I abandoned my intention to write to you, because almost everything about the "Vlasi case" is well known to the country's leadership and the public. Raif Dizdarevic was president of the SFRY Presidency when my husband was imprisoned. You will be in this highly responsible position when Azem Vlasi is tried. The reason why I turn to you is really to ask how this will be done. He has now been detained in the Titova Mitrovica Jail for 5 months, and the investigations, which cannot by law continue for more than 6 months, have also lasted 5 months. Apparently, not everything is proceeding in the way those conducting these investigations imagined. They have not been able to justify the inconceivable decision to imprison Azem Vlasi and charge him with counterrevolutionary activity endangering his country. It is very easy to arrest an innocent person. It is nevertheless somewhat more difficult, at the present time, to fabricate charges. Is not this a reason, Comrade Drnovsek, to state publicly whether we will follow the fundamental principle of Tito's policy in building a community on the basis of the rule of law, humanism, and the existence of human rights and freedoms?

I know my husband, and know that he is a Communist, a Yugoslav, and an Albanian who has devoted his entire life to the good of his country. He unstintingly worked as hard as one man can to contribute to the realization of his party's decisions. The party rewarded him with expulsion, with strange games involving his election and recall, and then even with a warrant for his arrest—things that were not even done in the years when Azem was born. As is well known, he was imprisoned on 1 March 1989, and as early as 5 March POLITIKA published a commentary entitled "Betrayal," already convicting him. I wonder what were those "well-founded suspicions" of the journalist who replaced the court in whose impartiality we must now trust.

"We will murder Vlasi," "Jail Vlasi," "Make your bed in a cell"—Azem, his son, his daughter, and I lived in an atmosphere of public menace directed against us by well-known extremist groups who were "clairvoyant" in predicting his future, attacking his very freedom and life. Nobody did anything. The fact was that when everybody had become used to them, all these threats quite simply became reality and Azem was imprisoned. That is why demands to carry out investigations attempted the impossible—to prove that those, inspired with hatred, who shouted these disgraceful slogans were right. Their only "evidence" has been his visit, out of humanitarian motives, to the sick miners. To those who lay in wait for him, according to the data in his legal dossier, full of lies and fabrications supplied to trusted journalists, this was enough. However, they were dismayed that they could not find what existed only in their own prejudiced minds or anything that suited their purpose. They have created confusion, they have twisted statements and press conferences, and their muck-raking has created among the public a bogus justification for this long-prepared act of imprisonment.

Who uses imprisonment and sentences in this country today to settle accounts with those who think in a politically different way? After all, even that part of the world which has suffered justified criticism over violations of human rights and freedoms has abandoned and condemned such practices. Are we now going to start them?

What has the 40-year-old Azem Vlasi, once president of the Federation of Socialist Youth of Yugoslavia, former member of the Central Committee of the League of Communists of Yugoslavia, and president of the Kosovo League of Communists Provincial Committee, done to become the greatest culprit in this country? He is one of the few officials from the war to the present day to have been imprisoned, and who will be placed on trial. Who needs this precedent with its repressive logic of frightening people, which, along with the "isolations" of Albanians, has caused such harm to our country's reputation?

I have kept track of your brief activities, Comrade President.

The decision to discontinue "isolation" encourages me. Is there perhaps still justice and reason in this country? I therefore appeal to you to intervene by forming a commission made up of lawyers and politicians to consider Azem Vlasi's case. I also hope that the defense, with your help, will have at its disposal the necessary documents and minutes from the sessions of the SFRY Presidency which are essential to illuminating all the circumstances of his imprisonment.

If I were able to obtain an assurance that my husband's case will be conducted according to the law, and that the court which will deliver its verdict will be unbiased (as can best be seen from the decision concerning the launching of investigations which I send to you as an enclosure), I would at once be able to cheer our children with the news that they need only be patient for a little while, because it will only be a matter of days before their father will be free. His innocence, and everything that he has achieved in life, cannot be wiped out by force or by the power of the mighty.

Nationalists Charged as Counterrevolutionaries

LD2907103189 Belgrade TANJUG Domestic Service in Serbo-Croatian 1713 GMT 28 Jul 89

[Text] Gnjilane, 28 Jul (TANJUG)—The district public prosecutor's office in Gnjilane today indicted 19 adults and two minors of Albanian nationality on the basis of

well-founded suspicion that they had committed the act of posing a counterrevolutionary threat to the social system under Article 114 of the criminal law of the SFRY.

Those charged are: Agron Ramadani of Livoce, Zija Hodza, Bahri Hasani, Demus Sabani, Agim Orana, Daut Kadriu, Hajredin Rasiti, Ekrem Voksi, a Gnjilane secondary school teacher, Fejzulah Fejzulahu, Muslim Arifi, Nazmi Zeciri, Selim Vlasi, a former president of the Kosovska Kamenica Socialist Alliance of Working People municipal conference, Hilmi Ademi, Hazir Ferizi, Fazpi Kasumi, Saip Haziri, and Hazir Rujkovcani.

Two older juveniles, Z.F. and S.K., were also indicted for the same criminal act.

All those charged are from the Kosovo area of Pomoravlje.

8 Sentenced for Kosovo Anniversary Incidents

LD3107173389 Belgrade TANJUG Domestic Service in Serbo-Croatian 1056 GMT 31 Jul 89

[Excerpt] Knin, 31 Jul (TANJUG)—Following an appeal by the republican Council for Minor Offenses and the revised proceedings, the Knin municipal magistrate today sentenced eight individuals from the Knin region to imprisonment ranging from 36 to 60 days on the basis of Article Four of the Law on Minor Offenses Against Public Peace and Order. They had committed minor offenses at the 9 July celebration of the 600th anniversary of the battle of Kosovo outside the Church of St Queen Lazarica, near Knin. [passage omitted]

Zelenovic Speaks at Chamber on Kosovo Situation

AU0108150889 Belgrade BORBA in Serbo-Croatian 26 Jul 89 p 4

[Unattributed report on speech given by Dragutin Zelenovic, member of the SFRY Presidency, to delegates at the Federal Chamber of the SFRY Assembly on 25 July: "The Extraordinary Measures Have Contributed to the Alleviation of the Situation in Kosovo"]

[Excerpts] As this chamber already knows, at the end of February our country was faced with a direct threat to the constitutional order, the country's integrity, and the territorial whole because of crude assaults by Albanian nationalists and separatists in the Socialist Autonomous Province of Kosovo. Under conditions of seriously disturbed interethnic relations, jeopardized vital economic entities, and the paralysis of economic life and other basic functions of society in the Socialist Autonomous Province of Kosovo, the danger also existed of the lives of a not inconsiderable number of people being put at risk.

This was stressed today by Dr Dragutin Zelenovic, member of the SFRY Presidency, in his speech to delegates in the Federal Chamber of the SFRY Assembly where, in line with the conclusions of this chamber of 18 June 1989, a debate was conducted on the results of the application of the special measures in the Socialist Autonomous Province of Kosovo.

Thus, on 27 February this year the SFRY Presidency made the decision, in line with the Constitution and the law, to impose a state of emergency and implemented and initiated the measures which were necessary to stop this dangerous development of events and normalize the situation in the province.

Work stoppages, mass gatherings, and demonstrations in the Socialist Autonomous Province of Kosovo in February this year, as well as other forms of protest, were aimed at blocking the cadre changes, primarily in the League of Communists of Kosovo, and the changes to the Constitution of the Socialist Republic [SR] of Serbia. However, I am stressing that for the Albanian nationalists and separatists these were only the actual occasions for fomenting mass gatherings and demonstrations, while their ultimate aims were the realization of the slogan "Kosovo-republic," the secession of the territory of Kosovo from Yugoslavia, and, in the next phase, its unification with the People's Republic of Albania.

One month later, during the preparations for the Constitution of the SR of Serbia and on the very day that the Assembly of the Socialist Autonomous Province of Kosovo gave its agreement to it, Albanian nationalists and separatists organized a new wave of demonstrations which lasted from 23 to 29 March. These demonstrations were characterized by the emphatic aggression manifested at the demonstrations in which, according to available figures, 58,000 people participated in 15 places in the province.

Members of the Security Services Were on the Defense

Even under conditions of such aggressiveness by the demonstrators, members of the Yugoslav security organs behaved very cautiously and in line with their legal powers. However, the demonstrators resorted to using firearms and most directly put at risk the lives of citizens and members of the security service, who were forced to also use firearms in self-defense. Twenty-two participants in the demonstrations were killed and 108 suffered serious or slighter injuries. In carrying out their duties, 2 members of the security organs were killed, 14 were seriously wounded, and 112 injured.

Demonstrations took place in Podujevo and Pristina on 30 and 31 May, which were deliberately organized during the visit to Kosovo by a delegation from the European Parliament. On this occasion, 95 of the most aggressive demonstrators were detained, including 88 students, 3 secondary school students, and 4 workers.

Otherwise, the seriousness of all these demonstrations and mass gatherings and the scope of the measures that have been taken is shown by the fact that 2,233 people

were identified and detained from the time the emergency measures were imposed, on 27 February, to 15 June. Because of the justified suspicion that they had acted in a hostile way from positions of Albanian nationalism and separatism, criminal charges were filed against 143 people and misdemeanor charges against 1,105 people, while 738 people were warned and 205 were deprived of their travel permits.

A decision by the SFRY Presidency on 27 February introduced or initiated about 20 security or other measures. A few of these measures—such as the intensified activity of social self-defense bodies, increased security in some more important facilities, the constant work of emergency reporting centers, the introduction of duties after office hours, and so forth—were introduced in the entire country. In the meantime, these measures have been lifted or replaced by regular measures.

Work Orders

In line with the emergency measures, said Dr Dragutin Zelenovic, work orders as regulated by the Law on All-People's Defense were also introduced. These measures were imposed for slightly more than 39,000 workers. For failure to adhere to the work order, disciplinary action was taken against 2,038 workers who were subjected to the following measures: dismissal—365 workers; temporary leave from work organizations—301 workers; demotion to a lower ranking job—87 workers; fine—361 workers; warning—133 workers; public warning—33 workers. Misdemeanor charges were filed against 1,163 workers, of whom 707 were imprisoned, 94 received fines, and 219 were dismissed. The cases of the other 143 workers are yet to be resolved. [passage omitted]

Confrontation in the Media

Confrontation among certain parts of the media in handling the emergency measures and the general situation in Kosovo has not contributed to resolving the complex and difficult situation in this province. Our working people and citizens rightly expect the newspapers to contribute to the mobilization of all forces to resolve problems and consolidate circumstances in Kosovo. They can only do that on the basis of independent, responsible, and social involvement which will accompany the unified interests and aspirations of all Yugoslav peoples and nationalities.

The SFRY Presidency is determined, said Dr Dragutin Zelenovic in conclusion, that in the future, as it has done until now, and in line with its constitutional and legal powers, it will follow the situation and undertake and initiate measures essential for consolidating the situation in the Socialist Autonomous Province of Kosovo and, he stressed, it will not in any way allow anybody to undermine and destroy the constitutional order and territorial integrity of the country, and to threaten the equality and brotherhood and unity of the peoples and nationalities of the SFRY. No compromises should be made in this. The SFRY Presidency will persist in this, it will be consistent in it, and we expect all other state organs and social subjects in the country to do the same.

Romanian Experts Fail To Attend Pollution Forum

LD0108151989 Belgrade TANJUG Domestic Service in Serbo-Croatian 1339 GMT 1 Aug 89

[Text] Novi Sad, 1 Aug (TANJUG)—Representatives of the Romanian water supply industry have failed to turn up at a meeting in the border town of Jasa Tomic for the purpose of considering the pollution of the Tamis River. An explanation from Romania has reached the provincial Committee for Water Management of the Vojvodina Assembly Executive Council, saying they were late in receiving the invitation to the meeting and this is why they were unable to come. They propose that a fresh meeting be held. They add in the telegram that no river pollution has been registered in the Tamis River as it runs through Romania.

Radovan Mitrovic, deputy chairman of the provincial Committee for Water Management, stresses that our experts do not agree with this assertion by the Romanian experts. Hence this committee has requested that the competent organs of the Socialist Republic of Romania be warned once again through the Federal Secretariat for Agriculture about the impermissible pollution of the Tamis River and that corresponding measures should be taken which are in keeping with interstate agreements on water management.

Loncar Interviewed on Middle East Situation

LD2807171789 Belgrade TANJUG Domestic Service in Serbo-Croatian 1245 GMT 28 Jul 89

[Text] Belgrade, 28 Jul (TANJUG)—There have been no significant changes in the attitudes of some of the determining factors. Nor have there been ideas that could be acceptable to the two sides, said Federal Secretary for Foreign Affairs Budimir Loncar in an assessment of the Middle East situation. Nevertheless, he expressed "moderate and guarded optimism" in an interview with the Palestinian journal SAWT AL-BILAD.

Asked to comment on President 'Arafat's initiative for solving the Palestinian problem, the federal secretary said it was "decisive, conciliatory, and realistic." He stressed that Yugoslavia actively advocates the convening of an international peace conference on the Middle East. Loncar considers that the so-called Shamir plan is unacceptable to the Palestinian people because it does not take into consideration their legitimate right to self-determination and the election of their own political representatives.

The federal secretary recalled that Yugoslavia was the first non-Arab country to recognize the Palestinian state on the day after its proclamation. This act, he said, arose out of many years of principled support for the Palestinian people's struggle for freedom and independence.

Loncar made the assessment that the last Arab summit in Casablanca as one of the most successful. He based his opinion on the belief that "cohesion is increasing among the Arab countries on the basis of a realistic and pragmatic evaluation."

Asked what were the chances for re-establishing diplomatic relations between Yugoslavia and Israel, the federal secretary replied that even in the absence of formal diplomatic relations, "not all ties were broken." "Through various forms of cooperation with Israel," he said, "we are trying to strengthen awareness of the necessity for a peaceful and just solution to the Middle East crisis."

Speaking about the Nonaligned Movement, Loncar concluded that there is now a considerably more favorable international climate for its activities. He is also optimistic about the modernization of the movement itself, which he sees as a synomym for greater realism and pragmatism.

In reply to a question on how he sees Yugoslavia in the 1990's, the federal secretary said that it is a non-bloc, nonaligned, developing country, but also a part of Europe. It is his view that Yugoslavia should achieve integration with Europe, to which it organically belongs, in a gradual manner by strengthening market production forces, but also taking into account the preservation of its new sociopolitical essence and international position.

Asked, finally, about cooperation among the Balkan countries, Loncar said that among all of them there was "readiness to apply the agreements reached."

Cooperation Protocol Signed With Afghanistan

LD3007062989 Kabul BAKHTAR in English 0415 GMT 30 Jul 89

[Text] Kabul, July 29, BAKHTAR—Najmuddin Kawiani, Politburo member and secretary of the Central Committee of the People's Democratic Party of Afghanistan (PDPA CC) who is currently on an official and friendly visit to Yugoslavia held final round of talks in the headquarters of the Central Committee of the League of Communists of Yugoslavia (LCY) with the Yugoslavian side today.

During the meeting the Yugoslavian side while supporting the policy of national reconciliation and fulfillment of the Geneva accords pledged that it will spare no efforts for the solution of the situation around Afghanistan which poses a grave threat against peace and security in the region and the world over.

At the end of the meeting a protocol of cooperation between the PDPA and LCY was signed.

According to another report Kawiani visited the Titograd city, centre of the Yugoslavia Socialist Republic of Montenegro today and met with the party leadership of that republic.

The sides discussed matters related to mutual interest as well as political situation in Afghanistan.

Drnovsek Decorates Departing SWAPO Official

AU2607154089 Belgrade BORBA in Serbo-Croatian 21 Jul 89 p 8

[Text] Janez Drnovsek, president of the SFRY Presidency, yesterday conferred the Order of the Yugoslav Flag With Gold Wreath on Billy Mvaninge, permanent representative of the political office of the South-West African People's Organization, following the conclusion of his mission to Yugoslavia.

Farmers To Protest Agrarian Policy 28 Aug

LD2907163789 Belgrade TANJUG in English 1458 GMT 29 Jul 89

[Text] Novi Sad, July 29 (TANJUG)—Discontented with the government's agrarian policy, farmers from Yugoslavia's granary Province of Vojvodina have moved towards organizing a protest meeting of farmers from all over Yugoslavia in Belgrade next August 28.

At a rally in a Vojvodina Village last night, farmers sought that the protest meeting be held in the organization of the Socialist Alliance which is Yugoslavia's most massive socio-political organization under the auspices of which many new federations and associations, largely in the Republic of Slovenia, have sprouted up in the past year's time.

Farmers last night stressed that the food producer's position just as the Yugoslav agrarian policy had not been essentially improved after their protest meeting in Vojvodina's capital Novi Sad last June 20.

They also criticized the Yugoslav Government's decision to intervene from its food reserves on the wheat market during the peak harvest, which, in the farmers' view, has maintained wheat buy-up prices at a low level.

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